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Mitterrand May Call For Early Elections

By Axel Krause
International Herald Tribune

PARIS — President François Mitterrand has said that he may call for early parliamentary elections.

In an interview with the International Herald Tribune, Mr. Mitterrand also distanced himself from proposed reforms of Prime Minister Jacques Chirac.

But he deliberately avoided saying when he might call for new elections, or a national referendum, which he described as "my constitutional prerogatives."

"I can call elections tomorrow, but I have no mania about elections," he said.

The French leader's assertion was made against a background of growing strains and conflicts between himself and Mr. Chirac's government over domestic and international issues, amid speculation among political leaders, diplomats and investors that Mr. Mitterrand will call early elections.

Two elections have been held since Mr. Mitterrand won the presidency in 1981.

"It could happen a third time," he said, adding: "The first time it gave me a majority. The second time it took it away."

Mr. Mitterrand's seven-year term ends in 1988. He has scored well in recent popularity polls and is expected to be the Socialist candidate in the next presidential vote.

The interview is the centerpiece of a special report on French politics and business. Page 9.

Reuters
François Mitterrand

The interview, conducted May 15, was based on questions submitted in advance. The answers were based on a transcript taped by the presidential office, portions of which were deleted later — including the reference to possible early elections — and on notes taken during the interview.

The Elysée Palace declined to allow any other taping, and did not provide its tape to the International Herald Tribune.

Adopting a firm, cautious tone during the hour-and-a-half interview at the Elysée Palace, Mr. Mitterrand broadly reiterated his opposition to Mr. Chirac's reforms.

He described the program as an attempt "to go back on what we accomplished," citing as an example the planned privatization of leading companies and financial groups brought under government control by the Socialists in 1982.

"I do not share their way of viewing things," he said.

Asked how he can change cohabitation, the power sharing between himself and the parliamentary majority, Mr. Mitterrand said that under the constitution, he is empowered to "dissolve the National Assembly, organize presidential elections, or a national referendum."

In his role, as defined by the constitution, Mr. Mitterrand pledged that he would continue "to place the government and the French people on guard about the consequences of governmental actions each time I feel they harm the rights of one or another social or ethnic group, or individual rights,

See MITTERRAND, Page 5

Reagan Warns On SALT

U.S. to Scrap 2 Subs, but May Top Other Limits

United Press International

WASHINGTON — President Ronald Reagan on Tuesday ordered two Poseidon submarines dismantled so that the United States would remain in technical compliance with the SALT-2 treaty.

But Mr. Reagan warned that the United States was prepared to exceed the strategic arms limitation pact's limits as warranted by its security needs and Soviet behavior.

Mr. Reagan announced that the 20-year-old submarines Nathan Hale and Nathanael Greene would be dismantled to offset the introduction of the Nevada, the latest Trident submarine, into the U.S. arsenal this week.

The Nevada's 24 missile launchers would put the United States over arms treaty's limit of 1,200 multiple-warhead, long-range nuclear missile launchers if the two Poseidons, each of which carries 16 such missiles, remained in service.

However, in a written statement, Mr. Reagan called the decision to scrap the submarines an "economic" one, and said the United States was prepared to surpass the SALT-2 limits as it continues to modernize its strategic arsenal.

In particular, the president said the United States will continue to equip B-52 bombers with cruise missiles beyond the 130-bomber limit that would be authorized under the treaty.

Mr. Reagan said: "I have determined that in the future, the United States must base decisions regarding its strategic force structure on the nature and magnitude of the threat posed by Soviet strategic forces and not on standards contained in the SALT structure which have been undermined by Soviet non-compliance, and especially in a flawed SALT-2 treaty which was never ratified, would have expired if it had been ratified, and has been violated by the Soviet Union."

Mr. Reagan said his administration has followed a policy of interim restraint, intended to not undercut SALT-2.

"Unfortunately," he said, "the Soviet Union did not exercise comparable restraint and uncorrected Soviet violations have seriously undermined the SALT structure."

Mr. Reagan said, "I continue to hope that the Soviet Union will use this time to take the constructive

See SALT, Page 5

Arthur Tsang/Reuters

Thai Army's Commander in Chief Is Dismissed

The Thai Army's new commander in chief, General Chaovalit Yongchaiyut, gives a traditional bow of respect as the outgoing army head, General Arthit Kamlang-ek, pats him on the back. Page 4.

Soviet to Allow 117 to Rejoin Families in U.S.

By Henry Gottlieb
The Associated Press

WASHINGTON — The Soviet Union has agreed to settle 36 divided-family cases by permitting 117 persons to emigrate to the United States to join family members, the State Department said Tuesday.

It will be the largest number of cases resolved since the United States began pressing the Russians almost 30 years ago to let specific citizens join family members in the United States, Charles E. Redman, a State Department spokesman, said.

Word of the decision and the names of the individuals were given to U.S. representatives Monday at an international human rights conference in Bern, the spokesman said.

Two other cases, one involving the spouse of a U.S. citizen and one involving a dual national, also are going to be resolved, Mr. Redman said. The names of the persons involved in those cases were not released.

"The U.S. government and the American people welcome this development," Mr. Redman said of the emigration agreement. "If these individuals, together with the other cases as yet unnamed whom the Soviets have indicated will also be resolved, are allowed to depart, it will mark the largest single resolution of representation list cases since the U.S. government began submitting such lists to the Soviet Union almost 30 years ago."

He said that the decision gives real meaning to vows made by Mikhail S. Gorbachev, the Soviet leader, at his November summit meeting with President Ronald Reagan in Geneva.

"It is a positive step that will contribute to an improved atmosphere in our relations, will facilitate efforts to build on the progress begun at the Geneva summit last year," Mr. Redman said.

He also called it a "significant step" and said that he hoped it signaled a Soviet willingness to make progress in other human rights areas.

No names were released and Mr. Redman said that it could be several weeks before completion of Soviet paperwork permitting the emigration.

The United States has been pressing 126 cases in which families have been split, with members in the United States and the Soviet Union.

In addition, there are 21 cases

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AP
Andrei D. Sakharov

Sakharov Ready to End Public Role

By Julian Nundy
International Herald Tribune

PARIS — Andrei D. Sakharov, the dissident Soviet nuclear physicist, is prepared to cease his public activities in return for a relaxation of official measures against him, his stepdaughter said Tuesday.

Tatiana Yankelevich said that Mr. Sakharov, 65, had made the offer in a letter to the Soviet leader, Mikhail S. Gorbachev, last July.

She said that Mr. Sakharov had said he was "ready to cease his public activities and wants to return to his scientific activity."

Mrs. Yankelevich was accompanying Yelena G. Bonner, her mother and Mr. Sakharov's wife, on a visit to France before Mrs. Bonner returns to the Soviet Union next Monday after six months in the West for medical treatment.

Mrs. Bonner met with President François Mitterrand on Tuesday to discuss her husband's case. Mr. Mitterrand told her "I will do all that I can," French officials said.

Mr. Mitterrand, who broke diplomatic protocol by mentioning Mr. Sakharov at a Kremlin banquet in 1984, told Mrs. Bonner he would be visiting Moscow in July but did not indicate how or in what way he would raise the case with Soviet authorities.

The existence of the Sakharov letter to Mr. Gorbachev has been publicized before, but Mrs. Yankelevich said that she hoped the offer would at least enable the Sakharovs to return to their home in Moscow from the city of Gorky where they have been living in internal exile since January 1980.

Mrs. Yankelevich, who lives in the United States, said that years of an official campaign had taken its toll on her mother and stepfather, who was awarded the 1975 Nobel Peace Prize for his defense of human rights.

"You have to understand, they are really very tired," she said.

Mrs. Yankelevich said, however, that Mr. Sakharov had told the Soviet leader last year that, while he was prepared to give up the political activities that led to his exile, he would still speak up on "exceptional cases."

Asked to clarify what sort of issues Mr. Sakharov meant by this, Mrs. Yankelevich said:

"It's time for everyone to understand that Sakharov is not just a dissident and a human rights expert. He has spoken out on virtually every important issue of our times, especially on disarmament."

Mr. Sakharov, a member of the team that developed the first Soviet

See SAKHAROV, Page 5

U.S. Fears High-Tech Leakage

Washington Urges Singapore to Curb Technology to Soviet

By Michael Richardson
International Herald Tribune

SINGAPORE — The United States is urging Singapore to apply stricter controls on exports of advanced technology that it fears could be put to military use by Communist countries, especially those in the Soviet bloc.

Diplomats and officials here say a campaign to prevent transfer of sensitive material — the campaign was begun in Western Europe in 1981 shortly after President Ronald Reagan took office — is being vigorously extended to the Asia-Pacific region.

They say Washington has been seeking cooperation from non-Communist governments throughout the area, ranging from South Korea and Taiwan in the north to Australia in the south.

Singapore is a point of particular concern for the United States because of the island state's success in developing an export-oriented advanced technology manufacturing sector and its position as a free-trade center and one of the world's busiest shipping ports.

There is no evidence that any sensitive material has reached the Soviet Union by way of Singapore.

Secretary of State George P. Shultz discussed the issue with Foreign Minister Suppiah Dhanabalan when they met April 30 for private talks during Mr. Reagan's visit to the region.

Last week, a British team of officials was in Singapore for talks on the same subject.

Singapore officials maintain that U.S. attempts to expand controls over trade in advanced technology could challenge national sovereignty and jeopardize access by countries of the Third World to advanced technology.

These officials say Singapore is prepared to cooperate with the United States but is concerned that the plan would create costly and cumbersome bureaucratic controls that would deter further Western high-tech investment.

A Singapore minister, who asked that his name not be used, said Washington had been pressing the Government of Prime Minister Lee Kuan Yew to sign a two-way memorandum of understanding regulating movement of a wide range of high-tech items.

U.S. officials have said the Soviet Union wants to use equipment and substances in various fields, including micro-electronics, computers, communications, computer-integrated design and manufacturing, and material fabrication, to close the gap with the West in vital

See SINGAPORE, Page 5

Japan Says It Is World's Top Creditor

United Press International

TOKYO — Japan posted a 74-percent gain in net external assets last year to become the world's biggest creditor nation, as its trade surplus fueled a surge in overseas investments, the Finance Ministry said Tuesday.

In an annual balance sheet report, the ministry estimated that when figures for other leading industrial nations are published, Japan would eclipse Britain as the leading creditor country.

The figures showed Japan surging ahead in securities investments overseas but still lagging behind other nations in direct investment such as factory construction.

The United States, hurt by a $148-billion trade deficit in 1985 and the huge federal budget deficit, became a debtor nation last year. It owed more overseas than it is owed for the first time in the modern era.

The ministry said Japan's net foreign assets, its official and private assets in excess of liabilities, rose from $74.3 billion in 1984 to $129.8 billion last year. The 1984 figure was double that of 1983.

The ministry estimated that Britain closed 1985 with net external assets of $90 billion and West Germany with $50 billion. The U.S. balance sheet was estimated at $60 billion in net liabilities.

Japan's strength was attributed to a $50-billion overall surplus on current account, a broad trade measure that includes merchandise as well as nonmerchandise items such as services, in 1985.

That surplus, a record, added fuel to a recent surge in dollar investments, including a substantial amount of U.S. Treasury bonds.

Japan is a major holder of the U.S. national debt, increasing as the U.S. government borrows to finance its budget shortfall.

The Japanese, who generally prefer government bonds to foreign corporate issues, also are benefiting from an easing of government restrictions on investments abroad.

Ministry officials suggested that external assets would continue to increase, as the trade surplus is ex-

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The Associated Press

Bodies Recovered From Explosion in U.S. Plant

Firemen in Kearny, New Jersey, remove the remains of two persons killed by an explosion in an aluminum manufacturing plant. The blast, apparently caused when a smelter furnace blew up, ripped through an industrial park. The dead were not immediately identified but apparently were employees of the factory. The blast spewed huge fireballs into the night sky.

U.S. Trade Legislation Fosters Odd Alliances

By Edward Walsh
Washington Post Service

WASHINGTON — The politics of trade, in all its national and regional dimensions, produced some odd alliances last week as far-reaching trade legislation swept through the House.

President Ronald Reagan and one of the many men who hope to succeed him, Senator Gary Hart, found themselves in rare agreement. Both called the legislation "protectionist." Mr. Reagan said the bill was "anti-trade" and "rankly political," while Mr. Hart, a Democrat of Colorado, approvingly quoted Republican descriptions of the trade measure as "a turkey."

But on the House floor, where politics tend to be purely local, it was a different story. Representative Tony Coelho, a California Democrat and chairman of the Democratic Congressional Campaign Committee, and Representative Howard Coble, a North Carolina Republican whom Mr. Coelho's committee has targeted for defeat in this fall's congressional elections, both voted for the bill.

The trade bill, passed Thursday by a vote of 295-115, would force Japan, West Germany and Taiwan to cut their trade surpluses with the United States by 10 percent a year for four years or face higher tariffs and lower quotas for their goods.

Other countries could face similar penalties if their trade surpluses rose or if they were found to use unfair trade practices. The bill must be approved by the Senate and signed by the president before becoming law.

Congressional positions on the trade bill, crossing party lines, reflect how the trade issue is seen differently in different political arenas.

The issue has provoked intense debate within the Democratic Party, which is groping for national themes on economic growth to take into the 1988 presidential election at the same time it is battling to regain control of the Senate and widen its majority in the House.

Senator Hart's criticism of the trade bill was issued from the perspective of a possible national campaign in 1988. Democrats have been warned that by embracing tough trade legislation, including tariffs and quotas, they risk being labeled the "protectionist" party of the past, while the Republicans appear as the prophets of America's economic strength and competitiveness.

On the national level, the issue is "deadly," said a Democratic political consultant, Harrison Hickman.

But this is 1986, not 1988, and the coming political battles will be local and regional, not national. In North Carolina this year, said Mr. Hickman, the trade issue could help the former Democratic governor, Terry Sanford, defeat James T. Broyhill, a Republican congressman, in the race to succeed the retiring Republican senator, John P. East.

Nowhere will the trade issue be more crucial this fall than in North

See TRADE, Page 5

Doctors Say Snoring Deserves Medical Attention, Not Jokes

By Philip M. Boffey
New York Times Service

PHILADELPHIA — Snoring, once considered little more than an amusing social nuisance, is now increasingly recognized as a sign of serious medical problems in some snorers, according to experts at a scientific convention here.

Although a vast majority of snorers are not facing any significant health danger, the experts said Monday, a sizable minority of snorers experience high blood pressure, heart pains, or a severe nighttime breathing disorder known as obstructive sleep apnea, which can cause heart, lung and neurologic problems as well as excessive daytime sleepiness, which could result in accidents.

The disorder also may be responsible for many cases of unexplained sudden death during sleep, some experts speculated.

As many as two million to five million Americans may suffer from obstructive sleep apnea, in which breathing stops for periods of 10 seconds or more, dozens or even hundreds of times each night, according to Dr. David N.F. Fairbanks, professor of head and neck surgery at the George Washington University medical school in Washington, who organized a symposium on snoring held at the annual meeting of the American Association for the Advancement of Science.

"Snoring is an extremely prevalent disorder which often leads to medical problems" and also disrupts personal relationships, Dr. Fairbanks said. "It is a complaint which should not be ignored or belittled."

"We think we are dealing with quite a large and important phenomenon and one we need to address wisely and responsibly," said Dr. Merrill M. Mitler, professor of clinical psychiatry at the University of California in San Diego. He is also director of research at the Scripps Clinic's sleep disorders center at La Jolla, California.

Dr. Fairbanks said that snoring, which is simply obstructive breathing during sleep, becomes more common with age. Among people 30 to 35 years old, 20 percent of men and 5 percent of women snore, he said, but by 60 years of age, 60 percent of men and 40 percent of women snore. Nobody knows why men snore more than women.

Snoring is also three times more common in obese people than in thin ones, Dr. Fairbanks added.

Some snorers emit surprisingly loud grunts, rumbles, rasps and whistles. The 1986 Guinness Book of World Records lists the loudest snore at 87.5 decibels.

Medical scientists have steadily expanded their understanding of snoring, he said. A decade ago, snoring was thought to be primarily caused by the tongue, which fell toward the back of the mouth during sleep and partially blocked the airway, thereby causing vibrating sounds. But CAT scan images have since revealed that other structures in the throat are deeply involved as well, he said.

Current theory attributes snoring primarily to poor muscle tone in the pharynx, palate and tongue, with the result that the airway tube becomes flabby and collapses into itself.

The poor muscle tone and snoring can be made worse by alcohol, sedatives, tranquilizers and antihistamines taken before bedtime, Dr. Fairbanks said. Other factors include tonsils and adenoids that impinge on the airway, excessive length of the soft palate, and restricted airflow in the nose, he added.

Some snorers emit surprisingly loud grunts, rumbles, rasps and whistles. The 1986 Guinness Book of World Records lists the loudest snore at 87.5 decibels. In a medical setting, Dr. Fairbanks said, snoring has been measured at 80 decibels, as loud as the sound of a diesel engine or a pneumatic drill breaking up concrete.

Most snoring is considered medically benign. "It's generally nothing to worry about, absent a breathing irregularity, provided there are no other adverse signs," said Dr. Mitler.

But two large epidemiologic studies in recent years, one in Italy, the other in Finland, have linked snoring with high blood pressure, Dr. Mitler said.

The Finnish survey also found that male habitual snorers had significantly more angina pectoris, or heart pains, than nonsnorers, and that this was unrelated to whether the men were obese or had high blood pressure.

Many experts view obstructive sleep apnea as the most extreme form of snoring and its most dangerous health problem. In most snoring, the airway is only partially blocked; but in apnea the airway is totally blocked.

The victims typically snore loudly for a

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BUSINESS/FINANCE

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■ The dollar fell against the Deutsche mark and the British pound in Europe. Page 21.

Lampedusa, Target of Libya's Missiles, Yearns for Old Solitude

By E.J. Dionne Jr.
New York Times Service

LAMPEDUSA, Italy — This barren and dusty island of sheer cliffs and waters so clear that the fish can stare up at the fisherman would like nothing better than to be out of the news.

But this shard of Italy, which is closer to Tunisia than to Sicily, recently came under special scrutiny by Libya's leader, Colonel Moamer Qadhafi. Nothing here has been the same since.

On April 15, about 14 hours after the U.S. air attack on Libya, Colonel Qadhafi's forces fired two Soviet-made Scud missiles at Lampedusa. U.S. and Italian military sources believe the Scuds were launched from a Libyan land site. They fell well short of the island, but many Lampedusans say they cannot help but wonder what destruction they would have wrought if they had reached the island.

The missiles' target was a U.S. Coast Guard station perched atop cliffs at the high edge of the island, down a washboard road that meanders through rocky and nearly desolate land.

The aridity of the island, which was settled in 1843 by 120 Sicilians, is broken only by low scrub, prickly pear bushes and wild flowers pushing their way up between rocks. The island is about 18 miles (30 kilometers) all around, so the sea is never far.

The problem for the Lampedusans is that Libya is not just threatening the coast guard station. It is threatening to blow up the whole island, which it has said is a base for attacks by the United States and the North Atlantic Treaty Organization.

Over the weekend, the Libyan Embassy in Rome made public a new warning to Lampedusa, saying that "threats" by NATO "cannot make us change our intention of destroying the island as long as it remains a NATO base and a crucial center of information and espionage for the American Sixth Fleet."

Amid such talk, many of the 4,700 people who live here are starting to wonder if they might not be better off if the men and women of the coast guard station just left. Their reasoning has nothing to do with anti-Americanism.

"It's not that they caused trouble, they didn't," Vincenza De Rubeis said of the coast guard. "The problem is that suddenly their presence is a disturbing factor. And we want peace. The Italians don't have any bases on islands off the American coast, do they?"

Guisy Nicolini, the Communist deputy mayor, said the proposal of the local Communist administration to have the Americans leave before the agreement on the base expired in 1988 had met just such a response.

The existence of a coast guard base so far from the United States took Americans as much by surprise last April as anyone.

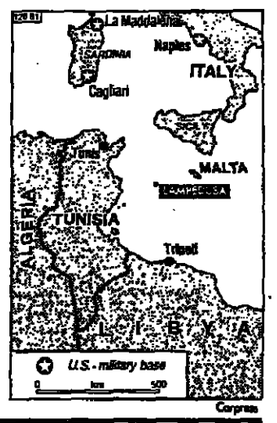
But it should not have, said Lieutenant Ernest Del Bueno, commander of the facility. The Lampedusa station, he said, is a long way from being a "spy" installation. It is a Loran station, one of roughly three dozen the coast guard has around the world.

Lieutenant Del Bueno said the unit had one mission: "To keep that Loran radio signal on the air as close to 24 hours a day as possible."

Loran, which means long range aid to navigation system, is a U.S. invention that serves shipping all over the world, including Lampedusa's fishermen. With a Loran receiver, any captain can pinpoint his position by picking up two separate Loran beams.

'Maybe in the end we will thank Qadhafi for his missiles for waking us from our sleep.'

— Baldasare Giglione, a Lampedusa resident



Most, though not all, Loran stations are run by the coast guard. The service is offered on the theory, Lieutenant Del Bueno said, "that it's in everybody's interest to know where everybody is."

The Loran station was moved here from Libya in 1972 in response to Colonel Qadhafi's seizure of power three years earlier. In all, 23 to 25 Americans are normally assigned to the station, though Lieutenant Del Bueno, trying to suggest without saying so that security had been increased, said the number could be as high as 30 now.

An open facility that once received tourists — "200 one day," the lieutenant recalled nostalgically — it is now closed off, sandbagged, its windows boarded shut.

To underline just how little he had to do with the U.S. attack on Libya, Lieutenant Del Bueno said he was asleep at the time.

"I heard about it on the BBC," he said.

But Libya does not believe this, and that is Lampedusa's problem.

Sitting on one of his favorite rocks at the seaside the Communist mayor, Giovanni Fragapane, said the islanders had never thought much about the U.S. site before.

"We're worried about their presence because that gentleman" — he pointed across the clear blue sea in the general direction of Libya — "says he wants to attack all the NATO bases. We just want the base turned over to the Italians."

Beginning in January, there has been what for this island is a major military buildup. The Italian military will not say how many soldiers are now here, but Mr. Nicolini puts the number at about 100.

This island lives on two things: fishing and tourism. Many of the fisherman are reluctant to fish on the southern side of the island, facing Libya. And the tourist industry, which drew 15,000 people last year, is off by 70 or 80 percent.

The deputy mayor said what Lampedusa needed more than anything was an emergency room. Now, residents have to be flown to Sicily for medical help, and some have died during the delay.

"Maybe in the end we will thank Qadhafi for his missiles for waking us from our sleep," said Baldasare Giglione, who runs a large market and, unlike the Communist government and many fishermen, wants to see the island develop rapidly.

There has been another effect.

"Before, we were so far south that we were never even on most of the official Italian maps," a resident said.

Now everyone knows where Lampedusa is, including Colonel Qadhafi.

WORLD BRIEFS

Accused Nazi Loses U.S. Citizenship

WASHINGTON (Reuters) — The Supreme Court rejected Tuesday a bid by an accused Nazi concentration camp guard to keep his U.S. citizenship, clearing the way for deportation proceedings to begin.

The justices let stand a lower court ruling that revoked the citizenship of Liudas Kairys, now living in Chicago. Mr. Kairys, who became a citizen in 1957, is accused of hiding his wartime past as a guard at the Treblinka death camp in Poland when he entered the United States in 1949. Mr. Kairys, 61, has denied the charges.

A Justice Department spokesman said the Supreme Court's action cleared the way for deportation proceedings to begin. It was not immediately known which country would seek to try him.

U.S. Vows 'Commitment' to Honduras

WASHINGTON (AP) — The United States pledged its "firm and unswerving commitment" Tuesday to help defend Honduras against any Communist aggression by Nicaragua.

A communiqué released after talks between President Ronald Reagan and President José Azcona Hoyo did not specifically mention Nicaragua's Sandinist government, but it did say that the United States would assist Honduras in an "effective and timely" manner if its sovereignty were violated.

The reference to "Communist aggression" made it clear that the United States would be prepared to assist Honduras in the event of an attack by Nicaragua, which borders Honduras to the south. The statement also reaffirmed the U.S. intention to release $61.2 million to Honduras to assist that country's economic stabilization program.

Basques Vow Anti-Tourism Campaign

SAN SEBASTIAN, Spain (AP) — The Basque separatist organization ETA said Tuesday it would sabotage resorts this summer to scare off tourists and harm the Spanish economy.

In a note to news organizations, ETA, whose initials stand for Basque Homeland and Liberty in the Basque language, said it wanted to "inform public opinion, tourism promoters and especially those planning to vacation in this area" of its intentions.

ETA announced a similar campaign last summer, and subsequently claimed responsibility for setting off at least eight small bombs on beaches along the southeastern coast. The explosions caused no injuries nor major damage, police said.

Employers In Sweden Set Lockout

Reuters

STOCKHOLM — Employers in Sweden announced plans Tuesday for a mass lockout next week that would effectively shut down most of Swedish industry in a pay dispute with a blue-collar union.

The association of Swedish engineering industries said it was locking out 180,000 metalworkers June 4 in retaliation for the union's decision to call selective strikes in 19 export companies June 3.

The growing conflict between the 230,000-strong metalworkers' union and engineering industry employers is a serious threat in Sweden's troubled labor market, but the government has made it clear it will not intervene.

Speaking before the expected lockout announcement, Prime Minister Ingvar Carlsson said Sweden had a tradition of allowing unions and employers to negotiate without government interference.

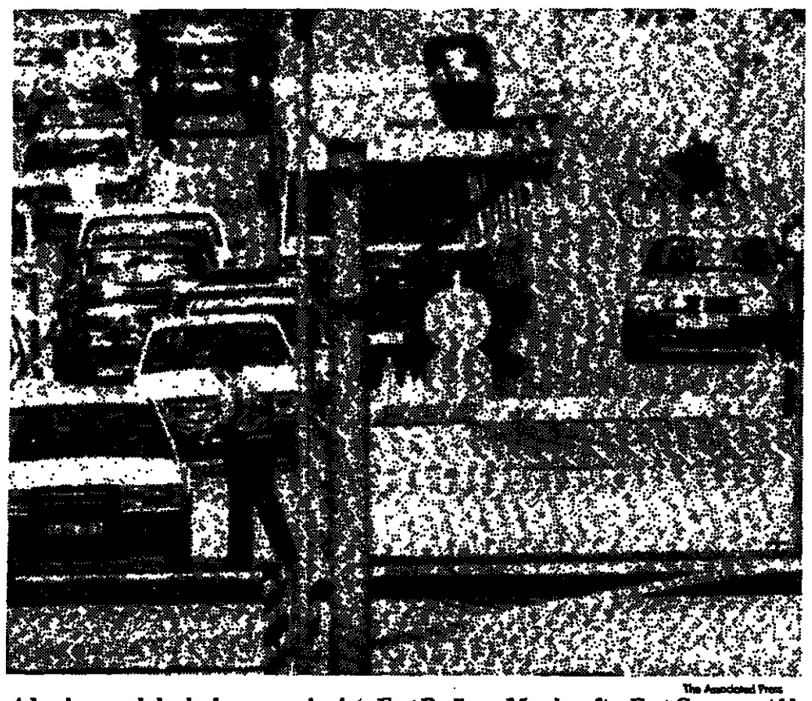
Ake Nordlander, head of the engineering association, said he hoped the lockout could be avoided, but warned that employers were ready to go ahead with it.

He said the lockout was a defensive measure forced on employers by the metalworkers' plans for selective stoppages. He said these would cripple the country's main export companies.

The metalworkers called out 14,000 members Monday and said the stoppages would completely halt car production by the two Swedish automakers, Saab and Volvo.

Other multinationals on the metalworkers' list were Alfa Laval, Asea, Ericsson, Electrolux, Atlas Copco and SKF, all are among the top 20 Swedish companies.

A statement by the engineering association said the lockout would affect all concerns employing more than 10 workers.



The Associated Press

A border guard checked cars crossing into East Berlin on Monday after East Germany said Western diplomats would have to show passports at the crossing points with West Berlin.

West Refuses East German Demand To Show Passports at Berlin Wall

By William Drozdiak
Washington Post Service

BONN — The Western allies refused to comply Tuesday with East German demands that foreign diplomats display passports at crossing points between East and West Berlin.

The East German government, with the apparent consent of the Soviet Union, announced last week that all diplomatic personnel would have to present passports when crossing from the Soviet-controlled sector to the Western parts of the city.

The surprise decision provoked anger among representatives of the United States, Britain and France which, with the Soviet Union, retain ultimate control over the city under post-World War II occupation laws. East German border guards stopped diplomats from the West German mission in East Berlin from traveling to the Western sector when they showed up at crossing points Monday without their passports.

Diplomats from the United States, Britain and France drove from East to West Berlin as usual on Tuesday, showing only their red identity cards. When asked by border guards for their passports, the diplomats said flatly that they were not carrying them, Western officials said.

After checking with superiors, the border guards allowed most of the envoys to cross Checkpoint Charlie and other demarcation lines. But in at least one case a U.S. diplomat was forced to turn back, the sources said.

Western diplomats said that they were engaged in four-power consultations with the Soviet Union to resolve the controversy. Beyond protesting the border action through their embassies in East Germany, the Western allies were refusing to deal with East German authorities because East Berlin is formally recognized only as the Soviet occupation sector.

"The East Germans have been trying to narrow our rights for years, but this appears to be first time they have insisted on diplomatic passports at the crossing points," said an envoy in West Berlin. "But there is no way we can accept this kind of action because it would undermine the very basis of our presence here."

Berlin-based diplomats said that foreign ministers from the key Western allies were likely to discuss a response to the East German action at a meeting this week in Halifax, Nova Scotia, for the spring ministerial council of the North Atlantic Treaty Organization.

The diplomats said there was no clear answer to account for the timing of the East German action, which came two months before the 25th anniversary of the building of the Berlin wall.

Western analysts said it was unthinkable that the East Germans would have taken such a step without Soviet approval.

In announcing the decision, East German authorities said it was being taken in response to Western concerns about security.

NATO allies have stepped up identity checks to deter terrorism after of the La Belle discotheque bombing last month that killed two people, including an American serviceman, and injured more than 200.

Britain Appeals to U.S. On Extradition Treaty

By Karen DeYoung
Washington Post Service

LONDON — Prime Minister Margaret Thatcher, having risked a serious political setback at home and possible terrorist retaliation because of her decision to back last month's U.S. raid against Libya, is now asking to be repaid.

In a trans-Atlantic lobbying campaign that has included Mrs. Thatcher and several members of her Cabinet, Britain has launched a new appeal for ratification of a revised extradition treaty with the United States that has been stalled in the Senate Foreign Relations Committee for nearly a year.

The revisions, to a 1972 treaty, are designed to remove extradition exemptions for politically motivated crimes of violence such as murder and hijacking. These exceptions have resulted in shelter in the United States for Irish Republican Army fugitives.

Over the past 17 years, more than 2,400 people have died in Northern Ireland's sectarian conflict, and IRA operatives have killed hundreds of British soldiers and police officers there. Civilian targets have included Mrs. Thatcher, who narrowly escaped death in a 1984 bombing in Brighton, England, that killed five persons.

The IRA, which says it is fighting for the reunification of the six Northern Ireland counties of Ulster province with the Irish Republic to the south, considers British sovereignty over the North illegal, and Britain's army there an occupation force. It is a definition accepted by some Irish Americans, and on at least four recent occasions U.S. courts have refused to extradite convicted and alleged IRA criminals because of the political offense exemption.

The British government had appeared content to chip away at Senate opposition. Since the Libyan attack, however, Britain has stepped up the pressure and the publicity surrounding its efforts and has sought to take advantage of a surge of anti-terrorist sentiment in American public opinion.

Passage of the treaty "is not only being appreciative of past support," Mrs. Thatcher said in a live interview with NBC's "Today" show Friday.

"It is not only standing together as friends," she said. "There is something much deeper than that. If you are against terrorism, you cannot pick and choose between terrorists."

British officials acknowledge that, as one put it, "the general perception of IRA terrorism is more serious here than in America." For many Americans, the issue of Northern Ireland remains complex and remote, and those whose voices are the loudest often are the more militant Irish lobbies sympathetic to the IRA's campaign of violence.

British officials have long charged, with the concurrence of Irish and U.S. law enforcement of-

NEWS ANALYSIS

ficials, that much of the Irish-American funding of the Catholic minority in Ulster goes into IRA coffers.

For Mrs. Thatcher, ratification of the treaty also would be a major step toward proving that the "special relationship" between the two countries works both ways.

Two weeks ago, on the heels of the declaration against terrorism and backing for improved extradition procedures at the seven-country Tokyo summit meeting, Tom King, the British secretary for Northern Ireland, flew to Washington to deliver the same message. He is being followed this week by Home Secretary Douglas Hurd and by the foreign secretary, Sir Geoffrey Howe.

But the problem, officials here readily admit, is not the Reagan administration, which strongly backs passage and is negotiating similar pacts with other countries — agreement has been reached with West Germany and is expected soon with Israel. The problem is that a Democratic-led opposition bloc in the Foreign Relations Committee, and Senator Jesse Helms, a North Carolina Republican, have opposed the revisions agreed on last June by London and Washington.

Much of the opposition has little to do with Britain and the IRA, and centers on concerns that the revisions would weaken the U.S. tradition of sanctuary for political dissidents and set a bad precedent. Senator Helms said he feared that it could lead to extradition of U.S.-backed Afghan and Nicaraguan rebels into the hands of hostile leftist governments.

Irish-American political groups also have made their voices heard. While making the case for political sanctuary for IRA suspects, they also allege that the British system of justice in Northern Ireland — including nonjury trials and suspension of some rules of evidence — leaves much to be desired.

British officials have voiced heated resentment of such charges. Nonjury trials were initiated in Northern Ireland, they point out, to eliminate intimidation of jurors that had made fair jury trials impossible.

Japan Calls Special Session of Diet

TOKYO (AP) — Prime Minister Yasuhiro Nakasone's cabinet decided Tuesday to convene an extraordinary session of the Diet, or parliament, June 2, apparently to allow Mr. Nakasone to dissolve the lower house and pave the way for simultaneous elections with the upper house in July.

But all five opposition parties threatened to boycott the Diet session. Japanese political analysts have said that Mr. Nakasone hopes a large turnout at the polls for the two-house Diet election would strengthen the power of his Liberal Democratic Party and help him revise party laws that deny him a third term in office. His present term as prime minister and party president expires this fall.

Reuters

Yasuhiro Nakasone

Mr. Nakasone said the extra session was needed to draft economic measures. But opposition parties said this was only a pretext for setting the stage for a double election. They said that no supplementary budget or other economic bills have been put before the Diet.

Sport Aid Gives Contribution Figures

LONDON (UPI) — Sport Aid estimated Tuesday it would raise $22.5 million by the end of the week from Sunday's worldwide runs and said the money will be put to work immediately to help the hungry in Africa.

"We'll expect to raise £10 million (about $15 million) in Britain by the end of the week," a Sport Aid spokesman, Nick Cater, said. He estimated that by the weekend another $7.5 million would come in from events overseas.

He said there was no specific financial target although organizers said last week they were striving to beat the $100 million set by the Live Aid pop concerts last year. It will be weeks before the final amount is known.

1 Killed, 6 Hurt in Karachi Bombings

KARACHI, Pakistan (Reuters) — One man was killed and six others were injured by bomb blasts Tuesday night at four airline offices in central Karachi, the police said.

They said the first bomb exploded at a Pan Am office at the arge Taj Mahal hotel, killing a watchman and four other persons. Two men were injured at one of three Saudi Arabian airline offices hit several minutes later, the police said.

Two Saudi Airline offices were badly damaged. There was no damage at the third, and the Pan Am office suffered minor damage, witnesses said. There were no immediate claims of responsibility.

For the Record

About 5,500 striking London printers plan to vote on a "final offer" from Rupert Murdoch, the publisher, for severance pay and other compensation that could end a four-month newspaper strike. *(UPI)*

The woman who flew a rented helicopter into La Santé prison in Paris on Monday and picked a prisoner from a roof was Nadine Bourgain, the wife of the escapee, Michel Vaujour, the police said Tuesday. *(AP)*

Bangladesh rescue workers have recovered the bodies of more than 200 passengers of a ferry that capsized Sunday in the Meghna River, and an official said Tuesday that as many as 600 were now feared dead. *(Reuters)*

A South Korean student activist died Monday, four weeks after having set himself on fire before he jumped from a building in an anti-government protest, Seoul National University reported. Lee Chae Ho, 22, was the third student to have immolated himself recently. *(AP)*

Three states held primary elections on Tuesday. In Arkansas, Governor Bill Clinton is favored to win renomination in a gubernatorial primary. Kentucky and Idaho join Arkansas in choosing House candidates. *(UPI)*

Soviet Grants Exit Visa To '77 Chess Champion

Reuters

MOSCOW — Boris Gulko, Soviet national chess champion in 1977, his wife, Anna, and son, David, have received exit visas after a seven-year campaign for permission to emigrate to Israel and will leave Thursday, his family said Tuesday.

Mr. Gulko, 38, recently had been trying to hold a daily one-man demonstration under the statue of the writer Nikolai Gogol in central Moscow. But most of the time police prevented him from unfurling his banner.

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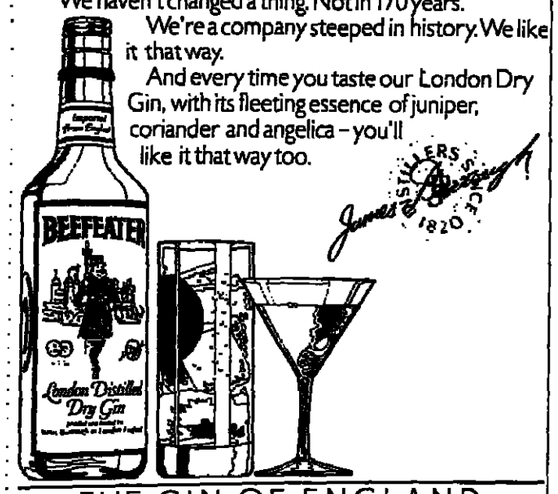

THE GIN OF ENGLAND

Cape Town Court Orders Police Not to Aid Vigilantes

The Associated Press

JOHANNESBURG — A Cape Town judge has issued a restraining order in an effort to stop black vigilantes from attacking other blacks in the Crossroads squatters camp, where at least 44 persons died in fighting last week.

The order, issued by Judge C.T. Howie, instructs police and army units not to support the conservative vigilantes. But Judge Howie said the ruling should not inhibit security units from maintaining order in the city of shacks, which is 12 miles (19 kilometers) from Cape Town.

The order is to remain in effect until a full hearing June 13.

The court action had been sought by six black leaders who said that conservative blacks, with police support or acquiescence, had systematically attacked rival squatters in newer settlements on the fringes of Crossroads.

The vigilantes have been accused of destroying thousands of shacks of rival black squatters. From 20,000 to 50,000 people are estimated to have been left homeless.

On Tuesday, government workers began clearing the frames of the burned-out shacks. About two dozen bulldozers moved into the area late in the morning, guarded by armored personnel carriers.

Some fist fights broke out between former residents who were combing the area for belongings and other blacks said to be from the vigilante groups.

The police said they found the bodies of two children Monday, bringing the death toll to 44. Three people have been arrested on murder charges resulting from the fighting, a police spokesman said.

The government has said the cleared area will be rebuilt with permanent houses, but for fewer residents. Many of the homeless are to be moved to a new black township, Khayelitsha, farther from Cape Town.

But residents said Tuesday that they were determined to rebuild on the same site in Crossroads.

The six persons who petitioned for the restraining order said they feared attacks were planned on the KTC section of Crossroads, where about 20,000 people live. That section, named after a local store, was not involved in previous fighting.

Colonel M.G. Mans of the police, appearing before the court, said the restraining order "could lead to the withdrawal of all security forces from the area, which will result in the collapse of law and order and a bloodbath between the rival factions."

Police have consistently denied siding with any faction in the Crossroads violence.

In other developments:

- Police said 96 blacks were arrested during rioting in Bethal, east of Johannesburg, and in northern Bosbokrand.
- A black man was burned to death in his car at White River near the eastern border. Police gave no further details.
- The driver of a tractor was uninjured when the vehicle detonated a land mine on the same farm near Davel where two blacks died in a mine explosion Sunday.

There was no claim of responsibility for the explosions near Davel.

South Africa cited the threat of guerrilla mine laying as one of the reasons for its May 19 raid on what it said were ANC targets in Zimbabwe, Zambia and Botswana.

■ Zimbabwe Holds 5 Britons

Seven Britons have been detained by the Zimbabwe police for questioning about the South African raids on African National Congress targets in Harare, but two of them were released Tuesday, the British Embassy here confirmed, according to The Associated Press.

There were reports that the Britons were suspected of having helped the South African raiders. The two who were freed were Roy Lewis and Alun Parfitt, who were working on contract with 80 other expatriates at Hwange power station in western Zimbabwe, a spokesman said.

"They've been with their lawyers who report they are shaky but fine," the spokesman said after the two men were set free after three days of police questioning in the second main city of Bulawayo.

Those still being held in Bulawayo or Harare, the capital, according to the spokesman, are: Callum Anderson, Steven Harrison, Derreck Straw, Brian Wilkinson and Richard Woodcroft.

■ Businessmen, ANC in Talks

An ANC spokesman said Tuesday that black South African businessmen held three days of talks with officials from the ANC at its headquarters in Lusaka, Zambia, Reuters reported.

The businessmen, members of the National African Federation Chambers of Commerce, said they had come to meet ANC leaders because of uncertainties caused by the political situation in South Africa. The businessmen returned to Johannesburg on Tuesday.

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Rome Magistrate Opens Case on Palestinian Group

Reuters

ROME — A Rome magistrate has signed arrest warrants for a group of Palestinians, including the extremist guerrilla leader Abu Nidal, for last December's attack on Rome Airport and a series of other actions, police sources said Tuesday.

Police said the magistrate, Rosario Priore, was expected to make a formal announcement shortly of warrants against about 14 people on charges of participating in an armed band.

In addition to the airport assault in December, in which 17 persons were killed, the warrants referred to bombings last year at the British Airways and the Alia Royal Jordanian Airlines offices in Rome, the sources added. One person died in the British Airways attack.

The warrants also cover a bazooka attack on the Jordanian Embassy, in which no one was injured, and a grenade attack that injured 39 people at the Café de Paris, both last year. Also covered was a 1982 shooting at the Rome synagogue, which killed a two-year-old boy and injured 34 people, the sources said.

AMERICAN TOPICS

These Political Stars Are in the Ascendant

Who are the most promising politicians in the United States, and why? U.S. News & World Report magazine asked two dozen consultants, pollsters and image makers. Their list goes beyond congressional leaders and the much-publicized contenders for president. Here are 10 of their choices:

Lamar Alexander, 45, Republican governor of Tennessee.

Tony Coelho, 43, Democratic congressman of California.

William W. Scranton 3d, 39, Republican lieutenant governor of Pennsylvania.

Henry G. Cisneros, 38, Democratic mayor of San Antonio, Texas.

Lynn M. Martin, 46, Republican congresswoman of Illinois.

William Lucas, 58, Republican executive of Wayne County (Detroit), Michigan.

William J. Clinton, 39, Democratic governor of Arkansas.

Madeleine M. Kunin, 52, Democratic governor of Vermont.

Connie Mack 3d, 45, Republican congressman of Florida.

Thomas R. Docking, 31, Democratic lieutenant governor of Kansas.

The experts say these comers are open to new ideas, are effective campaigners and coalition-builders and are more likely to be problem solvers than ideologues. Several professionals observe that the federal government is losing out as a proving ground, because there is more action in the states and cities.

David Woo/The Associated Press

RESOUNDING REMEMBRANCE — Ernest Wheeler, 3, and his sister Jina, 5, reacting during a 21-gun salute during a Memorial Day service in Dallas. The children's uncle was killed in the Vietnam War in 1973.

The Age of Anxiety And How It Grew

Acid Rain. AIDS. Asbestos. Challenger. DDT. Dioxin. Muggers. Terrorists. Three-Mile Island. Toxic Shock. This is the age of risk. Or is it?

"We live in a less and less risky society, and yet we're more and more anxious about it," says Edward Burger of Georgetown University's Institute of Health Policy Analysis.

A Harris poll found that more than three of four Americans believed that life was riskier in 1980 than 20 years earlier.

"How extraordinary!" wrote Aaron Wildavsky, political scientist at the University of California at Berkeley and coauthor of "Risk and Culture." He adds, "The richest, longest-lived, best-protected, most resourceful civilization, with the highest degree of insight into its own technology, is on its way to being the most frightened."

Short Takes

Bagels, the crusty, chewy, doughnut-shaped rolls brought to the United States by Jewish immigrants from Eastern Europe at the turn of the century, are becoming a national food. Production is up from six million a day two years ago to eight million now. Murray Lender, who is opening a 150-yard-long (137-meter-long) bagel bakery in Mattoon, Illinois, estimates that 80 percent of his customers are not Jewish. The market can only grow: four of five Americans have yet to try bagels.

After a double-decker bus smashed into a railroad trestle this month in Bloomfield, New Jersey, killing one passenger and injuring several others, the driver, Robert L. Smith, 54, said he was following a single-decker bus and forgot that his was double-decked: "I never gave it a thought." The police said he would be charged with careless driving.

— Compiled by ARTHUR HIGBEE

Reagan Urged to Name New Adviser on Science

By Boyce Rensberger
Washington Post Service

PHILADELPHIA — The leaders of the largest scientific society in the United States have sharply criticized the Reagan administration for failing to name a permanent White House science adviser since the post became vacant in December.

The officials of the American Association for the Advancement of Science said the White House soon would face a number of major science and technology decisions but has no mechanism to ensure that the president and his staff get sound, independent scientific advice.

Perhaps the most immediate scientific issue facing the nation, the leaders said, is how best to revive the space program.

This involves such questions as whether to build a new shuttle orbiter, which is based on 1970s technology; to press on with the "transatmospheric vehicle," a new kind of space plane; and whether to rely more on automated unmanned rockets.

Other questions include whether and how to proceed with the president's Strategic Defense Initiative for a space-based missile defense program and how fast to build the next generation of atom smashers that physicists need.

"I'm very worried," said William D. Carey, executive officer of the the society, which is holding its 152d annual meeting here. "We've got all these pressing science policy questions coming up and no independent source of scientific advice in the White House. I think it says something about the way the White House values scientific input."

Until the end of last year, George A. Keyworth 2d was director of the White House Office of Science and Technology Policy. He resigned to become a private consultant.

His deputy, John P. McTague, was named acting director, but he left last week to become head of research at Ford Motor Company. Richard G. Johnson, an assistant director in the office, has been named acting director.

David A. Hamburg, chairman of the board of the scientific society and president of the Carnegie Corp. of New York, said there have been several apparently futile attempts by leaders of science and industry to prod the White House into action.

Mr. Hamburg said the White House needed "a world-class scientist" who could command the help of a variety of researchers outside government to give expert and impartial advice.

The science adviser, he said, is the only one who can give the White House the kind of overview it needs to "perform an independent evaluation job," resolving competing claims for funding and recommending decisions on national policies that have a scientific base.

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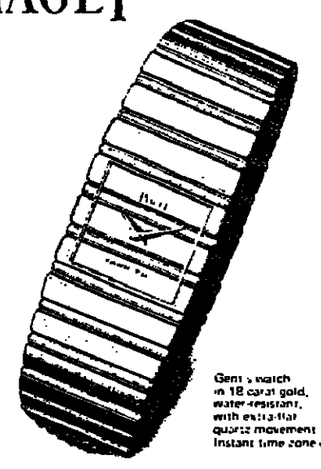

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Nebraska Lifts Controls On Telephone Rates

By T.R. Reid
Washington Post Service

LINCOLN, Nebraska — Nebraska has sparked a new wave of telephone deregulation that could raise local phone bills as it spreads from state to state.

In a move that stunned the telephone industry and consumer activists, the Nebraska legislature last month approved a near-total deregulation of local telephone service for residences and businesses. The law will phase out the rate-setting authority of the state Public Service Commission.

The telephone company will no longer need government approval to increase monthly phone bills, even in areas where there is no competition, such as local service to residences. Nebraska's law is the most far-reaching manifestation of a trend some analysts are calling Phase 2 of telephone deregulation.

The first phase, culminating in the breakup of the Bell System in 1984, ended most regulation of long-distance rates and telephone equipment prices. But that big change left most local rates and services under control of state utility commissions.

Phase 2 is aimed at circumventing utility commissions, leaving all phone rates up to the market. This initiative is being pushed by the seven "Baby Bell" holding companies that took over local phone service after the breakup.

Nebraska is the first state to deregulate all aspects of the telephone business, including residential service. Fourteen other states have approved some form of local telephone deregulation, and statutes based on the Nebraska model are pending in two dozen other legislatures, according to a survey by the Institute of Public Utilities.

"The concept is one that is going to spread," Gene Kimmelman of the Consumer Federation of America said. "Local phone rates are going to go up as more states move toward local deregulation."

"We see Nebraska as the standard for every state," said Jack A. MacAllister, president of U.S. West Inc., the holding company covering the Plains and Rocky Mountain states. "Our basic position is that there's a new competitive market in telecommunications across the board and in that climate you don't need or want government control of the market."

The new laws generally have phased out state control over business services, where there is a competitive market in most places. Nebraska went further. It decontrolled even noncompetitive "basic exchange service," that is, the standard residential phone.

The Nebraska law retains some state control for a five-year transition, authorizing the utility commission to study any rate increase greater than 10 percent a year. After 1992, phone companies here would have free rein to set rates, even where they have a monopoly.

Given the deregulatory fervor in many state capitals, especially in the West, and the strong lobbying effort by the spun-off Bell companies — particularly Denver's U.S. West and Chicago-based Ameritech — for a free market in telecommunications, it was not improbable that some state would embrace complete deregulation.

"We did it first because we had a governor who really cared about telecommunications," said Nebraska's governor, Robert Kerrey, a popular Democrat who is fascinated by high-tech issues.

The governor said Nebraska chose to lead the nation in the deregulatory drive partly in hopes that a favorable regulatory climate would attract telecommunications industries to this agriculture-dependent state.

For example, the "tele-marketing" concern that recently handled a million calls from owners of the Kodak instant camera, when Eastman Kodak Co. stopped producing the camera and offered owners another camera or shares of stock, has set up shop in Nebraska.

But Mr. Kerrey said his real interest in eliminating regulation is to take advantage of technological advances in telecommunications.

"If government gets out of the way so companies don't have to worry about some arbitrary commission of Nebraskans setting their prices," he said, "they'll come in here and show us what all their technology can do for our people.

"If you live in a rural, isolated state like Nebraska, you absolutely need to be connected to the rest of the country," Mr. Kerrey said. "And there is technology coming along that can connect us much more closely. But to get it, we have to move away from arguing, 'What should the price of the product be?' and into 'What should the product be?' "

There has been sharp dissent here, particularly from rural residents alarmed when Northwest Bell conceded that deregulation could cut rates for business but definitely would lead to higher home phone bills.

"You're going to see a lot of Nebraska farmers, guys already in trouble, having fits when they see that phone bill going up like crazy," said Harold Simpson, a member of the Public Service Commission. "They're all going to call me and say, 'What are you doing about this?' " And I'll say, 'I'm doing nothing because it's out of the government's hands.' "

Thrift Banker Pleads Guilty To Embezzling in Maryland

The Associated Press

BALTIMORE — Jeffrey A. Levitt, the savings and loan operator who was at the center of Maryland's thrift crisis last year, pleaded guilty Tuesday to the theft or misappropriation of $14.6 million from the Old Court Savings & Loan Association.

Mr. Levitt, 43, admitted to all 12 felony theft charges and 13 misdemeanor misappropriation charges against him. Sentencing by Judge Edward J. Angeletti was delayed.

Each felony count carries a possible term of 15 years in prison, and each misdemeanor could draw five years.

Attorney General Stephen H. Sachs said he would ask for at least 25 years, with more if Mr. Levitt refuses to make full restitution.

"Our goal is a long prison term for Levitt and whatever else it takes to induce him and his family to pay back every dime he stole," Mr. Sachs said.

Problems at Old Court more than a year ago triggered a run by depositors that spread to other institutions, threatening to bankrupt many of the state's 102 privately insured thrifts.

The state quickly took control of Old Court, placed a freeze on withdrawals last June and is now liquidating assets and paying off depositors.

Mr. Levitt has been imprisoned since Jan. 30 for violating a court-ordered limit of $1,000 a week on his personal spending.

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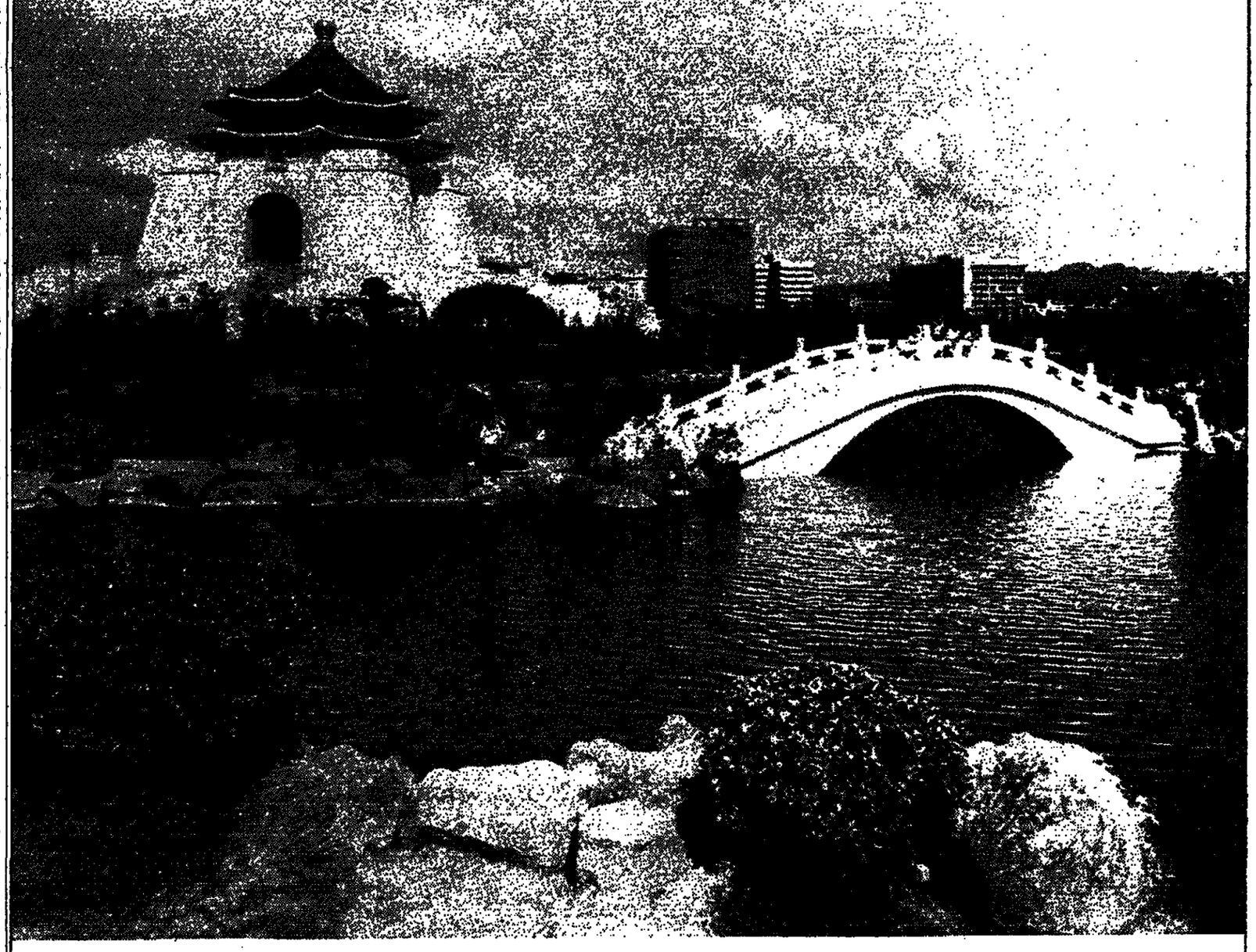

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Thai Army Commander Is Dismissed, Pledges Loyalty to the Throne

Compiled by Our Staff From Dispatches

BANGKOK — Prime Minister Prem Tinsulanonda dismissed the commander of the Thai Army on Tuesday, sparking rumors of an imminent coup.

But the dismissed commander, General Arthit Kamlang-ek, 60, said he accepted the order. He pledged loyalty to King Bhumibol Adulyadej.

No official reason was given for the dismissal. But diplomats characterized it as a bold and unusual act by a civilian prime minister against an army commander.

General Arthit has publicly challenged Mr. Prem previously, and is widely regarded as coveting the office of prime minister.

General Arthit's acquiesence to the dismissal followed a meeting with his successor, General Chaovalit Yongchaiyut, 54, who is considered strongly loyal to Mr. Prem.

During their meeting, General Chaovalit bowed deeply in a traditional expression of respect. A smiling General Arthit later said: "No problem. We'll be working together."

Rumors of a possible coup had swept Bangkok after Mr. Prem's office announced the dismissal and armored units moved through the capital. But army officers described their appearance as routine.

The officers and diplomats said they saw no other indication of abnormal activity following Mr. Prem's announcement. Chuthai Saengthaweep, an Arthit confidant who was deputy army commander, lost that post.

General Arthit had become a focus for efforts by the military to regain influence that had been lost under Mr. Prem.

In 1981, as commander of the northeast military region, General Arthit played a central role in turning back a coup attempt against the Prem government. He was later named army commander.

But last August, when General Arthit reached the mandatory retirement age of 60, his supporters and those of Mr. Prem struggled over whether he should be allowed to stay on.

The prime minister finally decided in March to retire the general as of Aug. 31. The move to strip General Arthit of his chief operational duties three months in advance left him with the honorary post of supreme commander.

General Arthit reportedly learned of his dismissal while listening to a radio broadcast.

His critics within the army, which traditionally looms large in politics here, have accused him of being ambitious.

But General Arthit maintained that he was at the service of the military and held no political ambition.

His supporters say the army chain of command had never been as unified as it was under General Arthit.

Mr. Prem dissolved the house of representatives earlier this month and called early general elections after the government lost a vote that General Arthit was rumored to have manipulated.

(Reuters, AFP, AP)

8 Journalists Awarded Nieman Fellowships

United Press International

CAMBRIDGE, Massachusetts — Eight foreign journalists were named to join 12 American Nieman fellows who were announced earlier in May, the Nieman Foundation at Harvard University announced Tuesday.

The fellowships allow them to study at Harvard.

The new fellows are Marites Danguilan-Vitug, 31, a reporter for Business Day in Quezon City, the Philippines; Songpol Kaopatumtip, 31, chief copy editor of the Bangkok World, Thailand; James Edward Lamb, 33, columnist with The Vancouver Sun in Canada; Fernando Lima, 31, news editor of AIM, the Mozambique News Agency;

Malgorzata Niezabitowska, 37, member of the editorial board of the Catholic Review in Warsaw; Sabine Rollberg, 32, producer and editor of WDR in Cologne; Maha Samara, 46, reporter and analyst for An-Nahar Arab and International magazine of Beirut, and Andries van Heerden, 31, assistant to the editor of Die Vaderland of Johannesburg.

Reuters

Margaret Thatcher and Anatoli B. Shcharansky held hands as they talked during a reception given by the British prime minister Monday night in Jerusalem. The Soviet dissident was allowed to immigrate to Israel in February after nine years of imprisonment.

Sri Lanka Calls on Tamil Separatists To Begin Talks on Ethnic Conflict

Agence France-Presse

COLOMBO, Sri Lanka — Colombo is ready to begin informal talks immediately with Tamil separatist leaders to seek a solution to the ethnic conflict that has left hundreds of people dead in the past 17 months, a government minister said Tuesday.

The minister of national security, Lalith Athulathmudali, said he would accept an independent mediator such as the Commonwealth in resuming talks with the Tamil groups campaigning for an independent state in Northern and Eastern provinces.

He said the talks could be along the lines of those between Pakistan and Afghanistan in Geneva.

There was no immediate response from Tamil representatives.

Mr. Athulathmudali ruled out a UN role in the negotiations, saying the Tamil issue was an internal problem, and stressed that initially the talks must be held informally.

The minister said that Colombo had offered a peace package that gave maximum autonomy within the country's unitary constitution.

But he said it was not possible to offer a federal structure such as India's because it would require constitutional changes by referendum. "The Sinhala, Moslem and other communities are not going to vote for a federal system so it will never be approved," he added.

He asserted that the weekend attacks on Sinhalese villages that claimed 32 lives were attempts by a separatist group, the Liberation Tigers of Tamil Eelam, to create a backlash against the Tamils and ruin peace efforts.

Meanwhile, the police said they had arrested a computer engineer in connection with a bomb blast that killed 17 persons at Colombo airport earlier this month. They gave no other details. The attack has been claimed by Tamil separatist guerrillas.

Authoritative sources said the engineer was held on suspicion that he made the bomb used in the attack.

The police earlier detained a customs officer who allegedly confessed to having planted the bomb aboard the Tristar jet that was about to leave for Male, capital of the Maldives.

Thatcher Tells PLO: Shift Views Or Lose Role

United Press International

JERUSALEM — Prime Minister Margaret Thatcher of Britain said Tuesday that if the Palestine Liberation Organization did not renounce terrorism and recognize Israel, another negotiating representative for the Palestinian people must be found.

Sources said, however, that Palestinian leaders in the Israeli-occupied territories had already spurned such a suggestion."

"Some kind of election process might be the way in which to be sure" that negotiators "have the support of the Palestinians behind them," Mrs. Thatcher said at a news conference at the end of her trip.

Her visit, which began Saturday, was the first by a British prime minister since the state of Israel was founded in 1948. The news conference was held in the King David Hotel.

She said she "tried in every way I could" to persuade the PLO to renounce terrorism and to accept 242, referring to the United Nation Security Council resolution on Israel's right to exist.

"If they were prepared genuinely to do that, then it seemed to me there is a new situation," she said, that "would make it possible to view the PLO in a different light.

"If we cannot do that," she said, "we have to find other Palestinian representatives who truly represent the Palestinian people.

"There is not yet a solution."

Mrs. Thatcher met Monday night with eight Palestinian leaders from the occupied West Bank and Gaza. The Palestinians presented a petition asking for self-determination for the Palestinian people and condemnation of the April U.S. air raid on Libya, according to sources who were at the meeting.

The Palestinians asked Mrs. Thatcher to urge King Hussein of Jordan to renew talks with Yasser Arafat, the PLO chairman, in an effort to resume the peace process, the sources said. They also said talk about an alternative moderate Palestinian leadership was "misplaced," the sources said.

Mrs. Thatcher told reporters the Palestinians "were very clear they rejected terrorism as a way of solving any problem and were quite clear about that." She also said they did not discuss Resolution 242 specifically, but "I would not say they would reject 242 in any way."

Mrs. Thatcher said, however, that she was not carrying any proposals from Prime Minister Shimon Peres to King Hussein, whom she will meet in three weeks.

UN Holds Special Session On Africa's Problems

By Elaine Sciolino
New York Times Service

UNITED NATIONS, New York — The United Nations General Assembly opened a special five-day session Tuesday aimed at finding ways to solve the chronic economic problems of Africa.

The focus of the meeting will be a proposal by the African nations to the developed world for an increase of aid and debt relief by $80 billion to $100 billion over the period 1986-90.

The meeting of the 159 member nations, which will bring together a head of state — President Abdou Diouf of Senegal — and 22 foreign ministers, including Secretary of State George P. Shultz, is the first session on a regional economic problem in the 40-year history of the United Nations.

Officials describe the meeting as an effort to look beyond the last two years of emergency famine aid in an effort to find long-term solutions for Africa, where the per capita production of about half of the countries is less than $300 a year.

In 1984-85, donor nations contributed more than $3 billion in famine relief and the United Nations estimates that an additional $881 million will be needed this year. This aid is separate from the long-term development aid the African nations will ask for in the General Assembly session.

The session is expected to debate a call by African officials for a "new set of relationships" between African nations and the international community.

A report to be presented by the Organization of African Unity says that a sick Africa "means a sick world, and an Africa that remains stagnant or perpetually backward economically is a threat to the security of the world."

The report asks donor nations to give Africa $45.6 billion in additional aid and $35 billion to $55 billion in new debt relief from 1986 through 1990.

Total aid to Africa is now $7 billion a year, and the request for additional aid of $9.1 billion a year would mean an increase of 30 percent. Donor nations and experts in the field say such a request is unrealistic. Donor nations are expected to resist specific commitments.

The Africans will pledge to generate an additional $80 billion of their own over the five-year period.

"We will, inter alia, take measures to strengthen incentive schemes, review public investment policies, improve economic management, including greater discipline and efficiency of resources," the OAU report says.

Support by the United States, the largest donor, is considered crucial if the proposed program is to succeed. The United States has said that it will not agree to specific proposals.

"This is not a pledging conference," Joseph V. Reed, deputy chief of the U.S. delegation, said Thursday. He called the session "an opportunity to consider the basic policy reforms required for longer-term economic growth."

Other donor countries said that they were reluctant to endorse the African figures because it was unclear how they had been calculated.

Some of the problems that the session is expected to address are the necessity to promote private investment and to place a higher priority on agriculture and the importance of debt relief and debt refinancing. Speakers are expected to ask for aid for the problems that affect most of Africa — from agricultural development to road-building and literacy programs.

Other problems to be discussed are Africa's dependency on exports of commodities whose prices have fallen sharply; the dependence of domestic production on imports; a high rate of natural increase that will cause the population of Africa to double in the next decade; an absence of infrastructure in transportation and communications; social values and practices that inhibit development; high illiteracy rates; and lack of educational institutions.

A study issued Thursday by a group of specialists on Africa said that African countries would need twice as much aid as they now receive as well as internal policy changes that will encourage private initiative if they are to emerge from their economic crisis.

The study, a joint project of the Overseas Development Council and the Council on Foreign Relations, concluded that Africa needed $16 billion to $20 billion in annual aid though the end of the century, and it recommended that the United States triple its aid from $1 billion to $3 billion.

It also said that Africa must promote private investment, cut inflated government payrolls, reorganize inefficient government-run industries, and raise food prices as an incentive to farmers. The United States has also called for developing the private sector, a sensitive issue with African governments that adhere to various levels of socialism.

The OAU report acknowledges that African nations have made mistakes in past economic decisions and have made wasteful investments.

"The positive role of the private sector is to be encouraged," it said, although the public sector will continue to play a key role.

The report also concedes what donor countries have said for some time: that agriculture must come first in the development program. Many parts of Africa suffer from low productivity because of drought, inroads by the desert, and migration to cities as farm prices are kept artificially low.

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(Continued From Back Page)

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Najibullah Now Seen as Troika Chief

By Tom Heneghan
Reuters

ISLAMABAD, Pakistan — Major General Najibullah, the new leader of the Afghan Communist Party, has quickly come to dominate what officially is a collective system of rule, Western diplomats said Tuesday.

They said that General Najibullah, the former head of the Khad secret police, has been holding highly publicized meetings almost daily with security forces, border tribes and Communist officials to promote his drive for tighter discipline and less corruption.

General Najibullah, 39, announced a Soviet-style troika leadership May 15, saying that he would lead the party, that President Babrak Karmal would work to widen the government's bases of support and that the prime minister, Sultan Ali Kishtmand, would have responsibility for the economy.

Mr. Karmal, whom he replaced as party leader May 4, has made only two short public appearances this month, while Sultan Ali has not been seen in weeks, they added, quoting reports from Kabul.

General Najibullah has railed against corruption and sloppy work at meetings of political commissars, Interior Ministry militiamen, border tribes and party activists.

The diplomats said General Najibullah had created anxiety among officials by hitting out so hard against corruption and bribery. They noted that, as former head of Khad, he would have access to secret police files on leading figures.

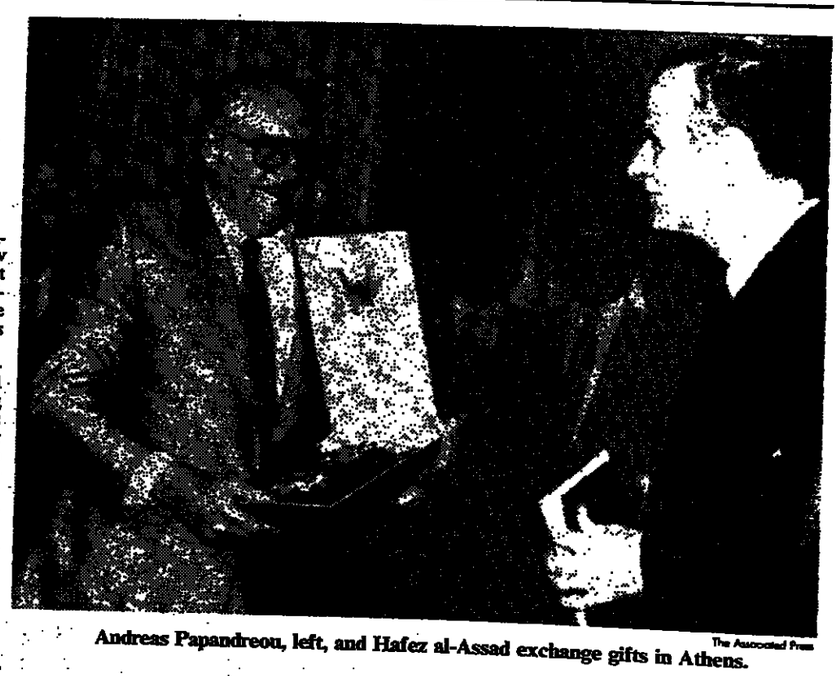
He was expected to shuffle the cabinet soon, bringing more members of ethnic minorities into high positions to promote a "divide and rule" nationalities policy that Afghan exiles say Moscow favors.

The diplomats also said that Khad was stepping up pressure on two Western companies — Hoechst and Brown, Boveri — in a possible attempt to force foreign technicians to leave.

■ 30 Reported Killed

Western diplomats said Tuesday in Islamabad that about 30 Communist Party members were believed to have been killed in an ambush by Afghan guerrillas near Kabul last week, Agence France-Presse reported.

The diplomats, citing sketchy reports, said guerrillas attacked a bus carrying the party members in the outskirts of Kabul on May 19.



The Associated Press

Andreas Papandreou, left, and Hafez al-Assad exchange gifts in Athens.

Soviet Renews Arms Pledge to Libya

Commitment Is Linked to Warning About Terrorism

Reuters

MOSCOW — Mikhail S. Gorbachev pledged Tuesday that the Kremlin would maintain arms supplies to Libya. But the commitment was linked with a warning on terrorism.

The official Tass press agency said that at a meeting with Colonel Moamer Qadhafi's deputy, Abdel Salam Jalloud, a call was made for a principled and consistent condemnation of terrorism.

The United States has accused Libya of sponsoring anti-U.S. terrorism and said its air raids on Tripoli and Benghazi on April 15 were a response.

Mr. Gorbachev denounced the attacks as an example of "imperialism," Tass said.

The report said new U.S. "adventures" could not be ruled out.

"Therefore what is needed is vigilance, restraint and a high level of defensive capacity of the states which might become the object of an imperialist attack, principle and consistency in condemnation of those pretexts which the imperialists use, above all of terrorism in any form."

Tass did not make clear whether this sentence referred to both men's views or just Mr. Gorbachev's.

But Western diplomats said the inclusion of the phrase in the agency's report meant it was clearly a view that the Kremlin wished to put across.

The Kremlin has specifically denied U.S. charges that the Libyan government had been behind the bombing of a West Berlin discotheque on April 5.

The U.S. government said it had evidence that the bomb attack, which killed two people and injured about 200, was ordered from Tripoli.

The Tass report said the Soviet side had expressed its readiness to develop economic cooperation with Libya on a long-term basis and "to assist it in strengthening its defense potential."

The report on the meeting between Mr. Gorbachev and Major Jalloud said that they had "a detailed exchange of opinions" on current international matters, a wording that indicates disagreement.

■ Jordanian-Syrian Contact

Prime Minister Zaid al-Rifai of Jordan made a four-hour visit to Athens on Tuesday for talks with President Hafez al-Assad of Syria to discuss a Jordanian effort to reconcile Syria and Iraq, Reuters reported from Athens.

Mr. Assad arrived in Athens on Monday on a three-day official visit.

The Jordanian prime minister was believed to have brought a message for Mr. Assad from King Hussein, who is trying to arrange a reconciliation between the Syrian leader and President Saddam Hussein of Iraq.

Damascus and Baghdad are long-standing political and ideological foes, and Syria backs Iran in its six-year war with Iraq.

King Hussein, who met Mr. Assad in Damascus on Saturday, saw the Iraqi president in Baghdad on Monday, Western diplomats said in Amman.

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Mrs. PEGGY, Angela Vail, Clovis, Mark, Karole, Julia, Luciana and Morgan announce with deep regret the death of MICHAEL C. SINDBAD VAIL their dearly loved husband, father, father-in-law and grand father on 24th May 1986 at the American Hospital of Paris, after a long illness.

Confidence Votes Fail In Israeli Debate on 1984 Security Affair

The Associated Press

TEL AVIV — Israel's attorney general, Yitzhak Zamir, said Tuesday that he was determined to prosecute the nation's internal security chief despite what he described as "severe pressures" to drop the case.

The security chief allegedly suppressed information indicating that Israeli soldiers beat to death two Palestinian prisoners who had hijacked an Israeli bus.

Parliament debated four no-confidence motions presented by small opposition parties over the coalition government's handling of the affair. [The motions failed, United Press International reported].

Mr. Zamir said in a telephone interview broadcast by Israel Radio that he was withstanding "the most severe pressures" ever brought upon him.

Mr. Zamir made the statement after the cabinet decided Monday to leave the chief of the security organization, Shin Bet, in office for the time being, Israel Army Radio reported. The head of Shin Bet is not identified by Israeli news organizations for security reasons.

Mr. Zamir indicated that the pressure was coming from Prime Minister Shimon Peres's government, although the cabinet spokesman, Yossi Beilin, has denied that any attempt was made to force Mr. Zamir to back down.

The Shin Bet chief is suspected of suborning witnesses during investigations into the killing of two Palestinians who hijacked a bus in April 1984, according to Israeli sources who spoke on condition of anonymity.

Initial army statements said the two died of injuries en route to a hospital, but subsequent investigations determined they had been beaten to death during investigation. An army commander was reprimanded and two Shin Bet agents were dismissed in the case.

Mr. Zamir, who announced his intention to resign in February, said the decision was unrelated to the Shin Bet affair, but indicated the investigation may ultimately depend on his successor.

The cabinet is not empowered to overrule Mr. Zamir's decision to investigate. But the attorney general is due to retire soon, and the daily Maariv reported Tuesday that the ministers hoped his successor would cancel the investigation.

Giles Elgood/Reuters

Nigerian Student Deaths Rise to 19

A man lies wounded in a Lagos street as police clash with students demonstrating in sympathy for their colleagues at Ahmadu Bello University in Zaria. The death toll at 15 universities was reported at 19. The students are protesting a decline in educational facilities due to the oil slump.

SALT: *Reagan Warns*

(Continued from Page 1)

steps necessary to alter the current situation."

"Should they do so," he added, "we will certainly take this into account."

■ **Dobrynin Assails U.S.**

Anatoli F. Dobrynin, a top adviser to Mikhail S. Gorbachev, asserted Tuesday that the United States had not made a "single gesture of goodwill" toward the Soviet Union since Mr. Gorbachev and President Ronald Reagan met in Geneva last November, United Press International reported from Moscow.

In a speech at a gathering of scientists, Mr. Dobrynin, longtime ambassador to Washington, also denounced the U.S. Strategic Defense Initiative, the space shield against missiles, calling it a "reckless escape into technology."

While the Soviet Union put forth "peace proposals of historic importance," by contrast the Reagan administration has not made "a single, however symbolic, gesture of goodwill," Mr. Dobrynin said.

Peace and military stability are threatened by President Reagan's SDI program, commonly called "Star Wars," Mr. Dobrynin went on, warning that the Soviet Union would respond to the space-based weapons program with an "effective and less costly" program that "could be implemented within a shorter period."

CREDITOR: *Japan Is Leader*

(Continued from Page 1)

pected to rise, despite the higher yen and a slowdown in the Japanese economy, and as businesses increase overseas investments.

The ministry said Japan had $437.7 billion in gross external assets last year, up 28.3 percent over 1984. They included portfolio holdings, factories and loans.

Direct investments such as factory construction were up 16 percent but accounted for only 10 percent of total holdings, still lower than the 26 percent recorded by the United States in 1984.

The United States still led in gross external assets at the end of 1984, the last year available, with $914.7 billion, followed by Britain at $712.2 billion. Japan had $341.2 billion.

However, in 1984, Britain led creditor nations with net assets of $85.1 billion, followed by Japan at $74.3 billion, West Germany at $33.2 billion and the United States at $28.3 billion.

SAKHAROV: *Altering His Role*

(Continued from Page 1)

hydrogen bomb, dates his differences with the Soviet leadership to 1961 when he tried unsuccessfully to persuade Nikita S. Khrushchev, who then was the Communist Party chief and prime minister, not to conduct an atmospheric nuclear test because of radiation dangers.

Mrs. Bonner, who signed a pledge before leaving the Soviet Union for heart surgery last December that she would not talk with the press, said Tuesday that she hoped after her return to the Soviet Union next Monday to spend a few days in Moscow.

"But I think that they will put me in a special plane and fly me straight to Gorky," she said.

Mrs. Yankelevich said that her mother made her promise not to talk to the press when Mr. Sakharov was in hospital being force-fed during a hunger strike last September.

"She wrote a statement saying that she would not talk to the press but it was not addressed to anyone," she said.

Mrs. Yankelevich said that Mr. Sakharov had told her in the hospital that the authorities had requested this as a condition for her to go abroad. He started his hunger strike to obtain permission for Mrs. Bonner to travel.

Mrs. Yankelevich said that her main hope was that her mother and stepfather would eventually be allowed to leave the Soviet Union to settle in the West. She said that recent statements by Soviet officials that Mr. Sakharov could not leave "at the present time" for security reasons at least left open the possibility that he might be allowed to leave later.

In the short term, she said that she hoped that the couple would be released from their Gorky exile and allowed to return to Moscow.

"I'm a bit more hopeful than in the previous years," she said. Mrs. Yankelevich said that she did not think that her stepfather, a central figure among dissenters in Moscow in the 1970s, would resume such a role and attract official displeasure.

FAMILY: *117 to Emigrate*

(Continued from Page 1)

involving Americans with Soviet spouses who have not been allowed to come to the United States and 20 cases involving people with dual nationality.

■ **Soviet Assails U.S. Veto**

The Soviet Union condemned on Tuesday a U.S. veto of a final document at a conference on East-West contacts as an "unexpected blow," The Associated Press reported.

The move showed American willingness to ignore European allies and to block increased contacts with Communist countries, the Foreign Ministry spokesman, Vladimir B. Lomeiko, asserted.

Mr. Lomeiko said that the United States had thwarted agreement at the Bern conference on contacts and human rights with its last-minute veto on adoption of a compromise document by the 35 participants.

SINGAPORE: *Export Curbs Are Urged*

(Continued from Page 1)

know-how for both civilian and military applications.

One local official stressed that Singapore, which is staunchly anti-Communist and generally has good relations with the Reagan Administration, agreed with the United States on the need for controls.

"But," he added, "we think it can be done under our own laws and regulations."

The U.S. Embassy in Singapore declined comment.

Analysts say the U.S. focus on the Far East reflects two developments.

One is that high technology production has spread extensively over the past decade from the West and Japan to the rapidly industrializing nations of the Far East.

The other is that the Paris-based Coordinating Committee for Multilateral Export Controls, which screens sales of militarily sensitive items from 15 Western nations and Japan, has tightened its regulations.

Diplomats say Washington fears that what it regards as inadequate controls in non-Communist countries of the Far East — countries that have imported large amounts of advanced equipment and attracted high-tech investment from the West and Japan — may provide an easy way for the Soviet bloc to circumvent controls.

However, American and other Western officials have said that they have no evidence so far of any diversion through Singapore of militarily sensitive high-technology material to the Soviet Union.

The U.S. Defense Department study said the Soviet Union has "diverted thousands of different items of high technology in the past two decades, totaling perhaps billions of dollars in hardware value alone."

"The Soviets," the study said, "have arranged most diversions through Europe, but their use of Asia as a diversion route is growing."

Singapore's exports of electronic products and components, mainly from local subsidiaries or affiliates of U.S. European and Japanese multinationals, leaped about 50-fold, from $83 million in 1970 to $3.901 billion in 1985.

Procedures that took effect in January 1985 give the Pentagon the power to delay or reject a number of categories of products, if these are destined for countries suspected of allowing diversion to the Soviet bloc or are judged to have inadequate controls.

The initial list included Austria, Finland, Hong Kong, India, Libya, Liechtenstein, Malaysia, Iran, Iraq, Singapore, Spain, South Africa, Sweden, Switzerland and Syria.

TRADE: *Strange Alliances*

(Continued from Page 1)

Carolina, where the state's textile industry has been battered by foreign competition. All five Republican House members from North Carolina voted for the Democratic trade bill.

The Sanford-Broyhill race is viewed as one of several that ultimately could determine control of the Senate, which the Republicans now hold 53 to 47.

Mr. Coelho is betting that trade, with its links to failing industries and joblessness, will also be an important factor in a number of House races this fall. He has been trumpeting the issue since last summer, when Jim Chapman, a Democrat, won a special congressional election in Texas against a Republican opponent who said he failed to see the connection between international trade and prosperity in east Texas. The voters made the connection for him.

"Do you think we have them on the run a little bit?" said Mr. Coelho.

SNORE: *Doctors Are Concerned*

(Continued from Page 1)

while, then become silent while they struggle unsuccessfully to breathe. After several seconds, they partially awaken and resume breathing with a loud snort, often accompanied by body spasms and flailing limbs. Some patients' breathing is obstructed for 30 seconds or more at a time, hundreds of times a night. They may spend more than half their sleep time without breath.

The lack of oxygen and struggle for breath during apneas can also damage both the heart and the lung. In many cases, the rhythm of the heartbeat is disrupted, and the levels of oxygen and carbon dioxide in the blood are abnormal.

Many victims suffer morning headaches, an inability to concentrate, or other mental deterioration, and such significant personality changes as depression, anxiety, irritability and aggressive behavior, according to Dr. Richard E. Waldhorn, assistant professor of medicine at Georgetown University medical school.

Apnea might also account for the sudden deaths in bed of 2,000 to 3,000 people a year in the United States, Dr. Fairbanks suggested. Dr. Mitler said he suspected that apnea might be responsible for many nighttime medical catastrophes, such as strokes and heart attacks.

Severe cases of obstructive sleep apnea or snoring can be treated by surgery, a pressurized face mask, or, to some extent, drugs, the experts said.

The most recent surgical innovation, known as uvulo-palato-pharyngoplasty, seeks to widen and stiffen the throat by removing and tightening tissue in the upper airway. The operation, introduced in the United States in 1980, works in about half the severe cases, Dr. Fairbanks said. Life-threatening cases are given tracheostomies, a surgical procedure in which a hole is cut into the throat below the obstructed area.

Surgery can sometimes be used to remove tonsils and adenoids, or move the tongue forward or reduce its size.

MITTERRAND: *Early Vote Possible*

(Continued from Page 1)

and which endanger national unity."

He said the "pre-eminent role" of the president includes foreign policy and defense, as well as law and order and human rights.

Meanwhile, the Socialist Party leader, Lionel Jospin, asserting that France had entered "a period of transition," urged all leftist parties, including the Communists, to unite in preparing for new presidential elections.

In the interview, Mr. Mitterrand criticized the Reagan administration for having overlooked that France was a "sovereign state" during the recent U.S. military raid on Libya.

Although Mr. Mitterrand emphasized that "we are loyal and strong supporters of the alliance," he said France also was a Mediterranean power with interests in the Arab world, which "are not necessarily identical with those of the United States."

■ **Mitterrand Criticizes SDI**

President Mitterrand reiterated opposition Tuesday to the U.S. Strategic Defense Initiative, which he said might jeopardize French independence, Agence France-Presse reported from Coëtquidan.

The remarks by Mr. Mitterrand to cadets in the town in western France were in apparent response to Prime Minister Chirac's remarks said Thursday that France must not "left behind" in the research for the defense project.

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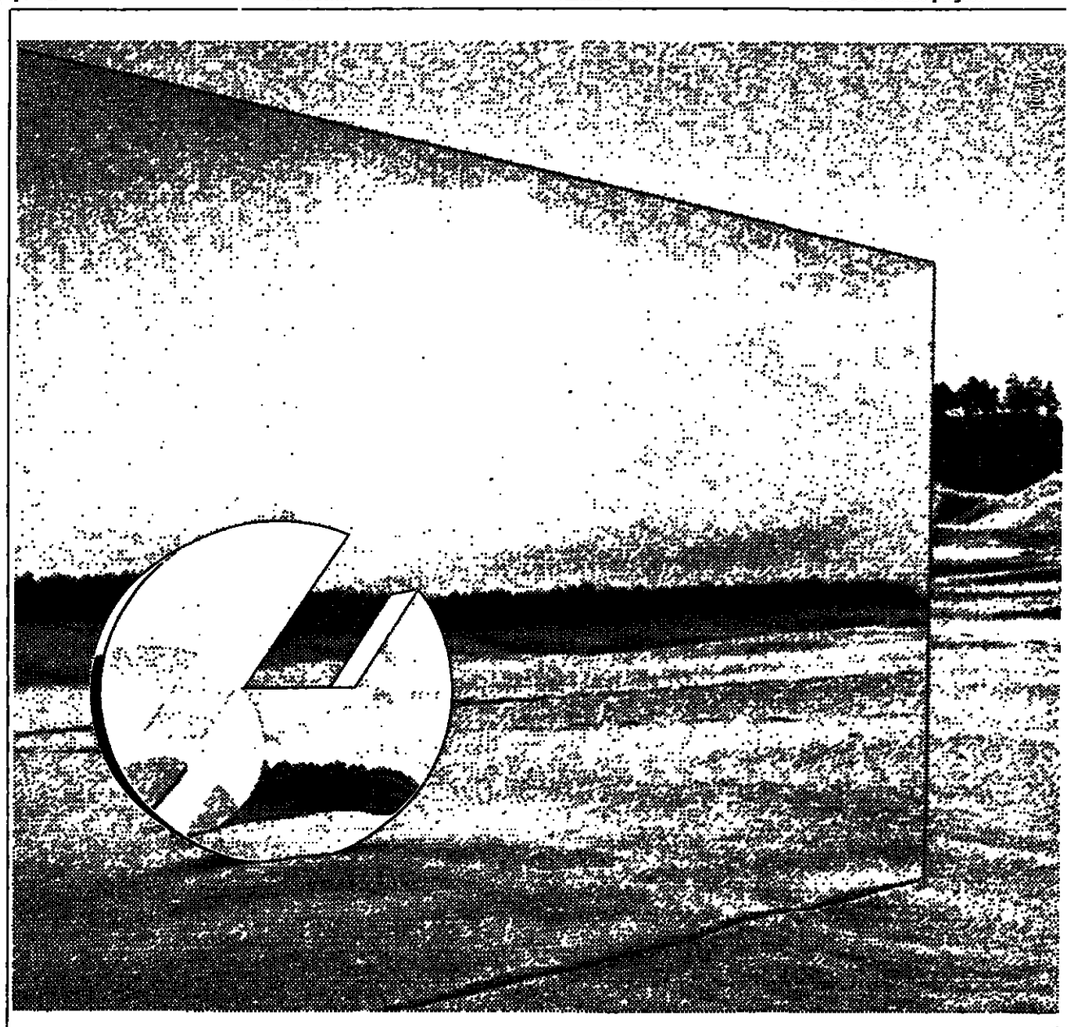

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Inflation Continues

Not since 1949 have consumer prices declined so rapidly in the United States as in the last three months. Any decline feels like a new experience for most Americans, who had come to think that prices grow higher each month as surely as everyone grows older. Any break in this psychology and in the damaging economic behavior it produces is welcome. But a closer look at what has really been happening is sobering. Inflation has been tamed but it is alive and threatening to break out again.

From February through April the Consumer Price Index dropped 1.1 percent. That good news was produced entirely by the drop in oil prices, but their sharp drop has stopped. Indeed, falling oil prices probably exaggerated the decline in the overall price index, which still reckons energy consumption at the reckless rates that Americans recorded before the oil shocks of the 1970s forced them to conserve. Take oil out of the index and the news is quite disappointing. Excluding energy, the price index for the last three months rose at an annual rate of 2.9 percent. Prices in the service sector of the economy rose even faster.

The inflation rate is less than half what it was five years ago — due to the lingering effects of the blistering recession of 1980-1982. The rate has held at 3 to 4 percent long enough, however, to give consumers and investors some confidence that prices were under control. This cooling of inflationary expectations is itself an important restraint. When lenders no longer expect their dollars to shrivel fast, interest rates fall. When workers do not fear huge markups at the supermarket, their pressure for wage increases diminishes. But a new inflationary force is now coming into play, not readily visible or easily restrained. It is the reduced value of the dollar.

The high dollar rate in recent years has meant relatively low prices for imported cars, VCRs and other foreign goods. Domestic industries suffered from this competition, but consumers ate it up. Surging imports helped to keep inflation in check directly, and also indirectly by forcing U.S. manufacturers to hold down prices.

Now the worm turns. The decline in the dollar's value drives import prices up again. And to the extent that foreigners can sustain sales at higher prices, they also allow the prices of American goods to rise. Meanwhile the costs of services — roughly half of all consumer spending and relatively immune to foreign competition — have kept on rising at about 5 percent a year.

Thanks to the oil price collapse, this year's inflation rate may fall below 3 percent, even lower than last year's 3.6 percent. But most economists expect no further windfall from plunging oil prices, and instead predict a general increase in the price index next year of 4 or 5 percent; some even say 6. It is irresponsible for anyone to read the news of the last three months as an excuse to stop worrying about inflation. To waste the progress made at great human and industrial cost in recent years would be a tragic miscalculation.

— THE NEW YORK TIMES.

Stirrings in Paraguay

The news from Paraguay is that there is news from Paraguay. For 32 years the country's political life has been muzzled by its dictator, General Alfredo Stroessner. So repressive has been his grip that protest virtually vanished from the streets. The last major independent voice, the daily ABC Color, was silenced two years ago.

In recent weeks, long-suffering Paraguay has come astir. Street protest has reappeared. Independent radio stations report revived dissent. And a coalesced opposition has emerged to make contact with a new U.S. ambassador, Clyde Taylor.

To all this the Stroessner regime offers its customary response. Demonstrators have been beaten and gassed by police and paramilitary thugs; offending radio signals have been jammed and Mr. Taylor is denounced as a sponsor of Communist revolution. Yet the dictatorship finds itself in an unfamiliar situation. For the first time in two decades, landlocked Paraguay is surrounded by democratic nations. The Reagan administration has strongly associated itself with the Latin democratic trend. Paraguay and General Augusto Pinochet's Chile have become embarrassing exceptions.

Even the regime's fervent opponents cannot imagine its early collapse. Some hope that the 73-year-old general can be persuaded to forgo an eighth term when the seventh expires in 1988. Even then, transition will be difficult. In its 175-year history, Paraguay has not known real democracy. The current generation has no political experience except that of General Stroessner.

Still, Paraguayans are entitled to aspire to the political freedoms enjoyed by their neighbors. And progress would bring a regional benefit. The Stroessner regime is soft on corruption and has let Paraguay become a notorious conduit for contraband, including narcotics. Its porous borders also tempt the many shadowy losers who still plot against the region's fragile democracies.

The end of the Stroessner regime may be mainly a matter of time. Yet repression remains a bloody reality. The brave Paraguayans who risk so much in freedom's cause deserve support as well as sympathy.

— THE NEW YORK TIMES.

NASA and the Devil

Old habits die hard. The other day James Fletcher, the NASA administrator of the 1970s who has been called back by President Reagan to rehabilitate the damaged space program, made his first major speech since resuming office. He has taken over a badly troubled agency. The space shuttle Challenger blew up in January, killing all seven aboard. Since then both the Titan and the Delta rockets used for unmanned launches have also failed. Inquiries are now under way in all three cases, and in a sense it can be said that the United States is temporarily without the means, for the first time in years, to put a major object in space.

Nor is it clear that this is all bad luck. Inquiries since the Challenger accident, including one by the official commission appointed by the president, have largely done in NASA's old reputation for clean-cut efficiency. For years, including those during Mr. Fletcher's first term as administrator, the agency has been in a running battle with federal auditors, who have attacked it for being poorly managed. The presidential investigative commission has found that NASA officials knew for years of the problem with O-rings now thought to have brought Challenger down, and that the night before the launch those officials beat down engineers from Morton-Thiokol, the booster's manufacturer, who said the launch would be unsafe. NASA has been what you might call less than enthusiastic about helping with the investigation. The commission's chairman, William Rogers, accused it two weeks ago of having "almost covered up" some aspects of the case.

So what has Mr. Fletcher learned? How does he plan to turn his agency around? What does he say in his maiden speech? Essentially, that NASA's problem is the press. An unnamed "small segment" of the press has distorted NASA's history and is ruining its image. NASA, Mr. Fletcher says, "is more than another government agency." It is a symbol of American aspiration and achievement. It is a vital national asset.

The press — those small segments, in any case — is no longer treating NASA in these reverential terms. For years it did. That is what Mr. Fletcher is used to and would like to have back. Instead the press is treating the agency as it does most other parts of government, holding it accountable, harrying it. "If this kind of coverage continues," Mr. Fletcher told his audience of industry executives, "I worry about whether it could do irreparable damage, not only to the agency ... but also to the nation as a whole." And then he gets to the important part. "For example, could such continued coverage cause public support, and thus congressional support, of the NASA program to diminish to the point where the program itself could be in jeopardy?"

Mr. Fletcher, you have it wrong. That may be the way it used to be; it is not the way it is. The serious problem you have on your hands is not of image but of substance. You alter it by changing the structure, not the paint. You are right that NASA over the years "has done magnificent and creative things." It turns out that in recent years NASA has done some pretty bush-league things as well. That is why your press is bad; fix those things and the press will be just fine. But don't try to run this glamorous agency by press release anymore.

— THE WASHINGTON POST.

Other Comment

NATO and Binary Nerve Gas

The NATO defense ministers gave the nod — a grudging one in several cases — to the "force goal" allocated to the Americans under which they should start production of an exceptionally fiendish chemical weapon. The West is not alone in this. Reports about Soviet production of chemicals for war are far too detailed and circumstantial to be dismissed. But it is not necessary to match the Russians weapon for weapon. The U.S. Congress has three times voted to reject binary nerve gas production. We should neither manufacture nor harbor it.

— The Guardian (London).

The procedure allowed none of the European governments to vote against. NATO's credibility with European electorates rests on the principle that it is, unlike the Warsaw Pact, an association of equals. The U.S. delegation ought not to have used a procedure that stifles debate on an issue bound to provoke justifiable European concern.

— The Daily Telegraph (London).

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OPINION

After the Revolution, a Debt Mess to Tidy Up

By Bernardo M. Villegas

This is the first of two articles.

MANILA — The rare political feat achieved when the Philippines peacefully deposed Ferdinand Marcos continues to attract worldwide attention. Revolution "Philippine-style" is an elusive model that other Asian countries, rightly or wrongly, would like to emulate.

Now that the government of Corazon Aquino is about to complete its first 100 days on June 4, it is becoming clearer to her economic managers that the biggest stumbling block to converting political victory into an economic recovery is the enormous foreign debt left behind by a profligate and corrupt regime.

With a total debt of more than $26 billion, the Philippines has to devote more than half its export earnings to interest payments alone.

The economy has been in a tailspin for three years, with per capita income declining by some 15 percent. The worst victims are the 70 percent of the population who fall below the poverty line of about $100 monthly needed by a typical family of six. This acute poverty situation is the single most important cause of the intractable Communist insurgency that continues to claim hundreds of lives, especially in the countryside.

Economic managers agree that growth is indispensable to any program geared to alleviate mass poverty and unemployment. But growth is hardly possible if interest payments take more than 50 percent of export earnings. No wonder that even market-oriented technocrats in Mrs. Aquino's cabinet are sorely tempted by drastic solutions to the debt problem. In recent weeks some cabinet members have been vocal about resorting to selective repudiation.

The most articulate proponent of some form of debt repudiation is the economic planning minister, Solita Monsod, a strong believer in private enterprise. Trained at the University of Pennsylvania, she was the first Filipino economist to work with Nobel laureate Lawrence Klein.

Refining the definition of debt repudiation as "renegotiating unjust loans," Mrs. Monsod maintains that some foreign bankers extended credit to the Marcos government knowing that the country was in no position to repay. Her position is primarily based on moral rather than legal grounds: "The international banking community knew that we were in no position to pay this debt, but still it was given to us. Given that they knew what was going on during the past regime, this enthusiasm to pour in money was certainly unjust."

Most cabinet members seem sympathetic to Mrs. Monsod's views. President Aquino, however, has categorically stated in a nationally televised interview that she will respect all the obligations of the Philippine government, emphasizing the importance of maintaining the credit standing of the Philippines. She takes the same line as the central bank governor, José B. Fernandez Jr., and Finance Minister Jaime V. Ongpin, who rule out selective repudiation and a cap on interest payments.

A compromise may be found in the process of untangling the most complicated debt issue. It has to do with a $2.1-billion nuclear power plant that the Aquino government has decided not to operate, especially after the Soviet disaster at Chernobyl. The Philippines is paying an estimated $355,000 daily in interest charges for the idle capacity of 620 megawatts.

The writer is chief economist at the Center for Research and Communication, a private think tank in Manila. He contributed this comment to the International Herald Tribune.

Waldheim Should Welcome Cross-Examination

By Alan M. Dershowitz

CAMBRIDGE, Massachusetts — There is a middle-ground approach to the Kurt Waldheim affair that promises to break the logjam over whether the former secretary-general of the United Nations was or was not a war criminal.

Mr. Waldheim's supporters argue that the newly uncovered documents do not, by themselves, establish that he participated in atrocities. His opponents argue that the documents place him so close to the scene of the crimes that he must have been complicitous.

Both sides seem to be assuming that the documents are both the beginning and the end of the available evidence. As any experienced lawyer knows, documents alone rarely make a case.

But they do provide the basis for further questioning. An effective cross-examiner armed with information contained in these documents could pose pointed questions to Mr. Waldheim.

It is difficult for a witness to be evasive, forgetful or mendacious when confronted with contemporaneous documents in his own handwriting. Some witnesses can, of course, deflect even the most probing of questions, but in the process other facts are almost certain to emerge.

If the citizens of Austria really want to learn the truth about their currently favored presidential candidate, they should demand that he submit to vigorous cross-examination by an independent counsel before the election.

The documents certainly provide reasonable cause for further inquiry. If Mr. Waldheim refuses to submit to a fair questioning procedure, the voters should assume he has something to hide. This is not, after all, a criminal proceeding. He could not plead self-incrimination.

In a democratic society, a presidential candidate, unlike a criminal defendant, refuses to answer relevant questions at the risk of political rejection. These questions are sometimes posed at press conferences or in parliamentary debate, but the charges here are more suited for a judicial-type inquiry. Such an inquiry could be conducted under official auspices or in an academic or journalistic setting. The form is less important than the opportunity for further inquiry.

The Austrian voters and the world at large have the right to know whether Mr. Waldheim would be willing to submit to systematic questioning based on the newly discovered documents. And they have a right to know how he would now answer the difficult questions about a shadowy past that he succeeded in hiding until the new documents were uncovered.

The writer is a professor of law at Harvard. He contributed this comment to The New York Times.

Casey vs. Media: Some Secrets Are Undemocratic

By Allan E. Goodman

WASHINGTON — Are intelligence operations compatible with democracy? Probably not. That is why for most of its history the United States has avoided permanent intelligence agencies, preferring to dismantle wartime spying operations rather than risk having them evolve into a secret police. The CIA was created only in 1947, after heated debate about whether in peacetime it would become, as one critic at the time said, "an American Gestapo."

The issue of secrecy vs. democracy is at the heart of recent controversy over whether NBC News and The Washington Post should be prosecuted for stories they carried that, according to the government, may have disclosed information about highly sensitive intelligence operations.

CIA Director William J. Casey wants to take legal action against the media for their coverage of the trial of Ronald W. Pelton, a former employee of the National Security Agency, which collects intelligence on other countries' diplomatic and military communications.

Mr. Pelton apparently told the Soviets all he knew. Mr. Casey has used the threat of a 1950 law, which makes it a crime to publish information derived from classified communications intelligence, to dissuade The Washington Post from printing the whole story. The law grew out of an episode before World War II in which the U.S. government wanted to prevent the former head of its cryptographic intelligence services from publishing a book about his work.

Since no news organization has been prosecuted under the law, the legitimacy of that restraint on freedom of the press has not been tested.

I think that the restraint would fail to stand up in court, largely because it does not require the government to prove that any damage has been done to national security — only that the information published was derived from communications intelligence, and even if such information had been published elsewhere.

The issue probably will not make it to court in the current dispute because, after meeting with Mr. Casey, the media have agreed not to disclose some of the details about the communications intelligence system that Mr. Pelton compromised by selling his information to the Soviet Union.

There is good news and bad news in that outcome. The good news is that the press, when presented with the government's arguments for remaining quiet, has again chosen to bend over backward to accommodate official concerns and still report on intelligence activities — a legitimate news subject in a democracy. The bad news is that the leadership of the U.S. intelligence community continues to act as if the best way to protect secrets is to intimidate the press.

Mr. Casey probably would not have threatened to take legal action if the stories in question had been about an intelligence success rather than a failure. Apparently no one will be prosecuted for publication of the details of how the United States intercepted Libyan communications with the terrorist agents who bombed a West German discotheque frequented by U.S. soldiers.

A key difference between operating in a democracy and in a dictatorship is that intelligence agencies must be consistent: They cannot demand that only information that reflects badly on them be kept secret.

This most recent episode again raises the issue of whether the intelligence community should operate under a comprehensive charter rather than a series of executive orders and Cold War-era statutes. Part of the function of such a charter would be to define the power of the government to punish those who sell, expose or leak secrets. Without such a charter, the tensions between the intelligence community and the democratic system will only increase.

The writer is associate dean at the School of Foreign Service at Georgetown University. He contributed this comment to the Los Angeles Times.

Blaming the Press Is a Reagan Habit

By Lou Cannon

WASHINGTON — Misled by CIA Director William Casey and encouraged by cheerleaders at the White House, President Reagan may be squandering much of the good will he has established with the media during five and a half years.

At the White House, officials refer to the dusting off of a 1950 law against disclosing communications intelligence as "the Casey initiative." This is less than a warm embrace of Mr. Casey, who is seen as having a political need to deflect attention from recent espionage cases and the embarrassment caused by CIA mishandling of KGB Colonel Vitaly Yurchenko, who redefected to the Soviet Union last August.

Mr. Casey's judgment has also been questioned from within because he agreed to Mr. Reagan's disclosure, after the April 15 raids on Libya, that the United States had the ability to intercept and decode sensitive Libyan communications. The rationalization was that this disclosure was needed to demonstrate Libyan responsibility for the bombing of the West Berlin discotheque that was the excuse for the raids. Subsequent information suggests that Syrians may have had a hand in the bombing.

Mr. Reagan has always been naive about "leaks" in his porous administration. In his first term he blamed indiscretions of David Stockman, misjudgments by Anne Burford at the Environmental Protection Agency and the intramural battles of Secretary of State Alexander Haig almost solely on the media.

Mr. Reagan has made a career of celebrating the good sense of ordinary people and mistrusting government, yet he believes that "news" about his administration should be based on the official version. Asked by me at a news conference in 1982 to reveal the reasons for Mr. Haig's departure, he replied: "If I thought that there was something involved in this that the American people needed to know, with regard to their own welfare, then I would be frank with the American people and tell them."

Mr. Reagan was subjected in his first term to a healthy and vigorous exchange of differences on the merits of suppressing information in the name of national security. The bitterest battle was prompted by reactions to a Sept. 12, 1983, report on NBC News and an account in The Washington Post the following morning. It quoted unnamed White House officials as stating that Mr. Reagan had authorized marines in Beirut to make air strikes against forces shelling their positions in Lebanon. Those officials told me that they wanted the story out because they believed that the Syrians would show restraint if they knew they might be bombed in retaliation for the deadly shellings.

The knowledge that information had been leaked to protect U.S. servicemen did not deter Mr. Casey, who joined with the then national security adviser, William Clark, in convincing Mr. Reagan to investigate his own staff. The mischievous inquiry resulted in FBI interrogations of nothing except a climate of fear. Mr. Reagan ultimately heeded the recommendations of his then chief of staff, James Baker, and Secretary of State George Shultz and declined to authorize sweeping use of polygraph tests to find the culprits.

Now Mr. Casey is once more exaggerating the media threat, and there appears to be no White House official willing to do what Mr. Baker did three years ago. The White House chief of staff, Donald Regan, is no media-basher, but he seems disinclined to risk the consequences of battling Mr. Casey. Mr. Baker's conflict caused Mr. Baker much grief.

The energy that the administration expended on the mindless investigation of itself in 1983 would have been better used in securing the marine headquarters in Beirut. That tragedy should be a reminder that national security is a concept that should be reserved for protecting secrets not known to the Soviets or other adversaries, rather than a phrase invoked routinely in contests with the media.

The Washington Post.

Correcting The Wrong Deviation

By Tom Wicker

NEW YORK — Since Ronald Reagan took office in 1981, America's gross public debt has more than doubled, from $930 billion to $1.9 trillion, reflecting huge annual deficits that reached $212 billion in fiscal 1985. The conventional view is that this has been a disaster. The Gramm-Rudman-Hollings Deficit Reduction Act, a monumental abdication of Congress's power of the purse, is based on that assumption.

But without those deficits and their stimulating effect, the deep recession of 1981-1982 would have been far worse. Unemployment would have exceeded the 10.7 percent recorded, and the brisk recovery of 1983-1984 would have been impossible.

In "How Real Is the Federal Deficit?" Robert Eisner of Northwestern University explains what happens. (Mr. Eisner's book is reviewed on Page 22.) Presidents Carter and Reagan followed tight fiscal policies and the Federal Reserve pursued tight monetary policy, from 1977 to 1981, because they perceived the official federal deficits of the period to provide too much stimulus to the economy. In fact, by Mr. Eisner's calculations of the effects of inflation and interest rates, those official deficits actually were "adjusted surpluses" that had a depressing economic effect and produced the 1981-1982 downturn.

But in 1982, when the effects of increased military spending and the tax cuts of 1981 began to be felt, a real federal deficit fueled recovery. From a surplus amounting to 1.45 percent of GNP in 1981, the adjusted high-employment budget swung to a deficit of 2.01 percent of GNP in 1982 — a total change of 3.46 percentage points, one of the largest swings to expansion on record.

But those big real deficits are continuing. Before any action under Gramm-Rudman, Congressional Budget Office projections of the official high-employment budget (calculated on the basis of 5.1-percent unemployment) showed the deficit rising to $225 billion by 1990. Even Mr. Eisner's adjustments for price and interest effects would leave a real deficit of $116 billion that year.

Mr. Eisner agrees with critics of such deficits that if they continued they would involve "costs to the American people," in that the economy would be less productive and that "more of our product and earnings would be going to foreign owners of our productive assets and government securities." But, he asks, "what are the costs of alternatives?"

Cuts in Social Security benefits would break "a social contract" and be perceived as unfair to one particular group. Big nonmilitary spending cuts are not only politically difficult but might in some cases be "a reckless reduction in investment in the human and public capital on which our future well-being depends" — health, education and research, for good examples. Reductions in military spending and/or "a general increase in taxes" appear preferable.

Mr. Eisner holds that if continuing deficit stimulus takes the economy close to full capacity, deficits of the present size "would contribute to inflation and a costly, restrictive monetary policy." But these costs might be outweighed by the costs of deficit reduction — particularly the drastic and unnecessary budget cuts forced by Gramm-Rudman-Hollings.

That would reduce the official deficit in $36-billion annual bites from $180 billion in 1986 to about zero in five years. If Congress let this happen, Mr. Eisner's figures show that the high-employment budget adjusted for price and interest effects would produce, by fiscal 1990, a real federal surplus of $114.4 billion — more than 2 percent of GNP. The consequences, he points out, would be "sobering" — which is an understatement.

The rate of growth of real GNP would fall to 2 percent by 1990, if the Federal Reserve maintained a relatively easy monetary policy, and to 1 percent if it did not. Unemployment would rise 1 or 2 percent from 1987 to 1990 — and Mr. Eisner thinks that these projections are probably too optimistic. By its reductions in aggregate demand and purchasing power, such a course would bring on the worst recession since the 1930s.

America may be making the same mistake as in the late '70s — turning to a restrictive policy on the basis of a perceived deficit that is by no means so threatening as supposed. With unemployment still at about 7 percent and real economic growth well below its potential, to move toward a balanced official budget, as Gramm-Rudman-Hollings requires, is to move in exactly the wrong direction.

The New York Times.

LETTERS TO THE EDITOR

Even the Taxi Drivers

On April 27 I arrived with my wife and friends to visit the London chapter of The Explorers Club, and the Royal Geographical Society. We spent as pleasant a week as I have ever spent away from home, and several things are noteworthy. London was clean and all whom we encountered were extremely pleasant and helpful. That includes the taxi drivers, which is a real plus.

At one point there was a "bomb scare," and with efficiency and precision the area was quickly ribboned off by Bobbies. Within 20 minutes the area was deemed safe, and life went on as usual.

I was disappointed to find that so many of my fellow Americans had stayed home due to fear of terrorism. We were very comfortable in our stay there, and I would hope that my countrymen would realize that it is still much safer to travel in London than it is on the freeways of America.

JOHN M. LEVINSON.
President, The Explorers Club.
New York.

Everest Keeps Its Secret

In response to "The First Man on Everest" (Letters, May 19):

Yes, after the death of Tenzing Norgay, Sir Edmund Hillary is now the only person who can answer the question of who was the first to the top of Mount Everest. I think he should not disclose the answer; it *should* go with him on his "final ascent." The world is too much with us: border skirmishes, nuclear "accidents," handgun diplomacy. Isn't it comforting that mysteries remain?

PETER O'BRIEN.

IN OUR PAGES, 75 AND 50 YEARS AGO

1911: Unfit Immigrants

NEW YORK — The New York World says: "The National Association of Manufacturers, through its Committee on Immigration, complains of the boards which judge doubtful immigrants at Ellis Island. It is true that these boards often make harsh rulings, but always in the 'judicial function' of trying to obey the law. It is true that Washington often reverses them; but Washington is usually wrong in doing so. President W.H. Taft himself begged off a family from deportation recently, but he was merely good-natured where the board was shrewd. The family had to go back. For American manufacturers, at a time when business is dull and many honest men are out of work, to demand that the bars be lowered which keep out unfit immigrants is merely another instance of

1936: The Queen Mary

SOUTHAMPTON — The Queen Mary, pride of the British Merchant Navy, cast off from the Ocean Dock [on May 27] and moved down Southampton Water to begin her North Atlantic career as 250,000 persons cheered and scores of harbor craft shrieked a farewell. At 4:34 P.M. the last hawser was cast off, the Royal Marine Band struck up "Rule Britannia" and twelve tugs dragged the 80,773-ton Cunard White Star Liner stern first from the docks, her sirens blaring and her three gigantic funnels pouring brown smoke over the waterfront. Fifteen minutes later the Queen Mary had been swung toward the sea for her maiden voyage. Dozens of the capacity list of 2,139 passengers climbed into the lower rigging to wave. Her decks flooded with handkerchiefs, the Queen Mary

INSIGHTS

In Presidential Elections, as the South Goes, So Goes the Nation

By David S. Broder
Washington Post Service

ATLANTA — The simple secret of American presidential politics in this era, recognized by few politicians and even fewer voters, is this: As the South goes, so goes the nation.

In every presidential election since 1956, the candidate who has won the largest number of electoral votes in the 11 Southern states has walked into the White House.

That is true of no other region. The Midwest and the West voted for losers in 1960 and 1976; the Northeast, in 1968. But not since the Dwight D. Eisenhower-Adlai E. Stevenson contest in 1952 have Dixie voters ended up on the losing side.

If the South finds itself setting the fashion for the nation a century after the Civil War, its taste is fickle. No party has been able to win its support more than twice in succession, and with its restless spirit, the South has supplied more votes to third-party candidates than any other region.

That is just one reason both parties are focusing an increasing portion of their resources and efforts on gaining and holding the high ground in the South. Southern political battles in the next 30 months will determine not only the leadership of the region but also the likely direction of the nation and its government as well.

THERE are powerful cross-currents tugging Southern politics in opposing directions. Republicans are winning in the metropolitan-area bedroom communities and the interstate corridors where most of the Southern growth has been channeled. But Democrats are strongly rooted in the rural counties and the increasingly black big cities. Where they can keep their biracial coalition intact — and in many states it is fraying badly — they can still prevail.

Clues to the future direction of the South are likely to come in three stages:

- This November's midterm elections will indicate whether Republicans can hold the gains they have made in the Reagan years, particularly the four Southern Senate seats they won on his 1980 coattails and the eight House seats they picked up in 1984. The elections will also measure the Democrats' ability to withstand a major Republican effort to crack the near-solid Democratic ranks of governors.
- Stage two will focus on the new Southern "super primary" in March 1988, when at least seven and perhaps as many as 10 of the Dixie states will pick national convention delegates in the same week. That will be as much of a contest for the party loyalties of Southern voters, most of whom are free to pick between the Democratic and Republican primaries, as it will be a battle between presidential rivals.
- Finally, in November 1988, the South will declare its presidential allegiance for the post-Reagan era, and, not so incidentally, elect five senators and a host of state and local officials. When those returns are in, it may be possible to say who has won the heart of Dixie.

It is a crucial question, because the former Confederate states will have even more leverage on the nation in the 1990s. Projections indicate that the 11 states from Virginia west to Texas will gain 10 House seats and electoral votes after the 1990 census, giving them 126 of the 218 seats needed for a simple majority in the House and 148 of the 270 electoral votes necessary to win the presidency.

Even in this year's midterm elections, the Southern prize is large. Races for seven Senate seats — four held by the Republicans — and seven governorships, all but one now in Democratic hands, make the region a prime focus. In 1984, nine of the 22 House seats which changed hands were in the Southern states. Many of them will be battlegrounds again.

The Republicans have done well in Southern states since Ronald Reagan's first run for the White House in 1980, gaining four Senate seats, 13 House seats and hundreds of other offices down to the courthouse level. As a result, Republicans have counted on Mr. Reagan's momentum to carry them further, at least as long as he occupies the White House. But that assumption is increasingly in doubt.

In east Texas last August, Republicans went all-out to win a rural House seat left vacant when Mr. Reagan appointed a conservative Democratic congressman, Sam B. Hall Jr., to a federal judgeship. But another Democrat, Jim Chapman, won the special election by 1,924 votes and this year has no Republican opponent.

Last fall, Mr. Reagan crossed the Potomac into Virginia, which had given him 62 percent of the vote, to campaign for the state Republican ticket. But Democrats swept the three top statewide offices by wide margins.

This year's Senate races pose more risks to the Republicans than to the Democrats. Of the four Republican-held seats, only Senator Mack Mattingly of Georgia is rated clearly ahead today. In Florida, North Carolina and Alabama, well-known Democrats are running against the Republican incumbents. The Democrats are favored in Florida and considered competitive in the other two states.

By contrast, the only two Southern Democratic senators seeking re-election this year, in Arkansas and South Carolina, escaped challenges from well-known Republicans. The main Senate bright spot for Republicans in the South is Louisiana, where Representative W. Henson Moore, a Republican, has been leading Representative John B. Breaux, a Democrat, for the seat of the retiring Democratic senator, Russell B. Long.

Lee Atwater, a political consultant who played a key role in Mr. Reagan's two campaigns in the South, said, "If we have major losses in the Southern Senate races in 1986, it will be hard for us to maintain there's been any realignment."

The opportunity for Republican gains can be found in the state battles, especially the contests for governor. State government is increasingly important in the South, as elsewhere, as governors and legislatures struggle with challenges in education, economic development and environmental protection.

The Republicans are only marginally involved in that effort today. Even after the gains of 1984, they hold only one of every five legislative seats in the South. Except for James G. Martin of North Carolina and Lamar Alexander of Tennessee, the Southern governors are all Democrats.

Mr. Atwater called the governorships "the most important missing piece in the realignment puzzle for Republicans." William Hamilton, a Democratic consultant who is involved in several contests for the Senate and statehouses in the region, said he agreed. "The governor's office gives Democrats access to the business community," he said, and "without that financial base, we lose one of our vital advantages in the South."

Republican gains in the legislatures this year are likely to be modest at best, and in such states as Georgia and North Carolina, Democrats are seeking to erase beachheads Republicans won on Mr. Reagan's coattails in 1984. But there is a major — if uneven — Republican thrust on the governorships. Democrats are strongly favored in Arkansas and virtually unchallenged in Alabama and Georgia.

But in Florida and South Carolina, where popular, two-term Democratic incumbents are stepping down, Republicans are bidding strongly to win governorships they have held only once since Reconstruction. That is true in Texas as well, where a former Republican governor, William P. Clements, is in a rematch with Governor Mark White, the Democrat who ended Mr. Clements' breakthrough after one term in 1982.

If Republicans can annex any or all of those states, while holding Tennessee, where a former Republican governor, Winfield Dunn, is a slight favorite to succeed the retiring Mr. Alexander, it would give them a real presence in the South. The problem is that Democratic primaries for governor — such as those being fought in Alabama, Florida, South Carolina and Tennessee — tend to strain a coalition already weakened by black-white divisions.

BEYOND this year, 1988 provides a double test for both parties, first in the Southern-dominated super primary and then in the general election. Under the prodding of Democratic legislative and party leaders, seven states have joined the trio of Alabama, Florida and Georgia, which already held their presidential primaries on the second Tuesday in March.

In the South, Mississippi and Tennessee and the border states of Kentucky, Missouri and Oklahoma have shifted to primaries on that date. Virginia has decided to move its caucuses to Saturday of the same week, the same date the South Carolina Democrats have chosen. The Republican date is not settled. Legislation moving the Maryland primary date to mid-March is awaiting the governor's signature.

Arkansas, North Carolina and Texas are expected to consider a similar shift in their next legislative sessions and there is strong support for the move in these states as well. The prospect is that there will be a formidable bloc of votes — close to 60 percent of those needed for nomination, based on the last delegate apportionment — in the Southern and border states that week.

There are two questions about the effect of the Southern super primary: its impact on the expected nomination fight in each party and its implications for the relative strength of the two parties in the South.

The state Democratic leaders who have pushed it have done so in hopes it will enhance the nomination chances of a moderate-conservative and perhaps a Southerner, someone who could carry their states in November 1988 or at least not drag down the state and local tickets.

Many northern Democrats, including the party chairman, Paul G. Kirk Jr., in surveying the recent failures of nominees from north of the Mason-Dixon line, have agreed that the Democratic ticket needs a Southerner on it in 1988. But there is great debate whether the super primary will have the desired effect.

Some say it is made to order for Charles S. Robb, the former Democratic governor of Virginia, or Senator Sam Nunn, a Georgia Democrat. But so far neither has mounted a preparatory presidential effort.

Others think that whoever wins a plurality victory in New Hampshire, however liberal he may be, will ride an unstoppable wave of publicity into the Southern primary two weeks later. Still others think that if four or five credible white candidates are competing in the South, the Reverend Jesse L. Jackson can be the ultimate beneficiary of this new wrinkle in the nominating system.

Similarly on the Republican side, even though Vice President George Bush appears now to have the backing of most party leaders across the South, the prospect of a Dixie super primary has been welcomed by everyone from Marion G. Robertson, a conservative evangelist, to the moderate former Senate majority leader, Howard H. Baker Jr. of Tennessee.

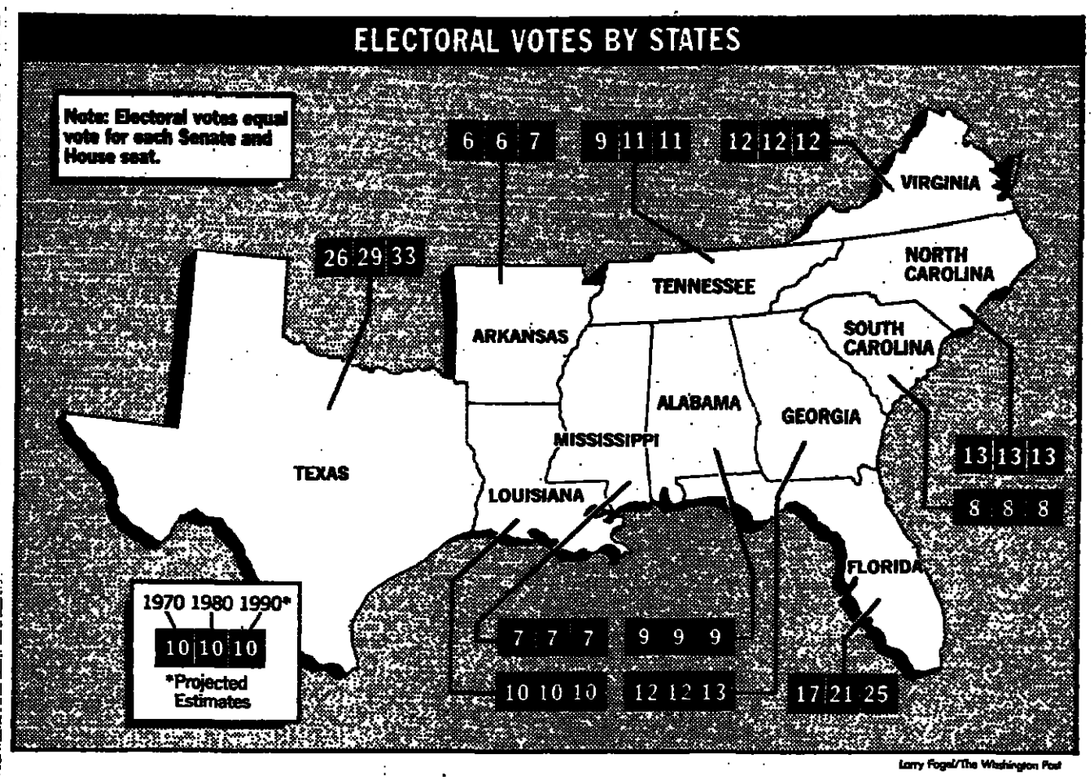
EQUALLY important, though less discussed, is the impact the Southern primary may have on the Republicans' efforts to gain the long-term adherence of Southern voters. A central part of that drive is to convince Southerners that they will not miss out on most of the action in the Democratic primary. In 1988, thanks to the super primary, Republican parties across the South will offer moderates and conservatives the chance to help pick Mr. Reagan's successor, at least as the Republican nominee and perhaps as president.

In eight Southern states — Alabama, Arkansas, Georgia, Mississippi, South Carolina, Tennessee, Texas and Virginia — there is no party registration to serve as a barrier. Perhaps most Southerners will remain loyal to the party of their parents and vote for a regional or ideological soul mate in the Democratic primary, as the promoters of the super primary hope. But if they find the Democratic choices anointed by New Hampshire less than appealing, there is a chance of a mass migration to the Republican primary that could significantly and permanently affect those voters' party identification.

Ultimately, of course, the test will occur in November 1988, when Southerners will look at the nominees of the two parties and decide which comes closest to their ideal.

Only Virginia among the Southern states has voted the same way as many as three successive times in the presidential elections between 1968 and 1984. Having gone nearly unanimously for Mr. Reagan in 1980 and down the line for him in 1984, the Dixie states may be ready to bolt. If the South really gets to pick the 1988 Democratic nominee, and if that person is a Southerner, the history of the last two decades say the odds are 2-to-1 that the Democratic nominee will be elected.

But if Republicans sweep the South again in 1988 and once again broaden their base in state and local offices, the Democrats could find themselves facing real two-party competition such as the region has not known since the Civil War.



Larry Fogel/The Washington Post

Southern political battles in the next 30 months will determine not only the leadership of the region but also the likely direction of the nation and its government as well.

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ARTS / LEISURE

Jazz Is Holding On in Hungary

By Michael Zwerin
International Herald Tribune

BUDAPEST — For 15 years, Gyula Babos, the guitarist, told himself, "If only you could play like an American." Then he listened to a record he made in 1980 and thought, "Babos, you sound just like an American." He was proud, but by that time nobody wanted to sound like Americans anymore.

In the early 1980s Europeans began to discover "Euro-Jazz" — jazz did not necessarily have to sound American to be valid. Increasing attention was being paid here to Magyar-tailored swing and harmony. Anyway, nobody particularly cared any more. The mass audience has moved to rock. The rock groups sang in Hungarian.

On the other hand, the hard-bop jam sessions Babos still leads every Monday night in the youth club in the eastern railroad station — departure and arrival announcements floating in through the window — is reminiscent of an "A" train. On a recent Monday, this "A" train had only 20 passengers.

Babos plays occasional casuals with a trio, backs singers; there are unimportant tours to neighboring countries and the Monday nights — not enough money for a serious living or opportunity for a musical statement. So he teaches at the jazz department of Béla Bartók Conservatory, one of the first European jazz schools, founded in 1965 by János Gonda, who is also fed up.

"I am feeling very sensitive to the bad atmosphere among my pupils," he said. Gonda, a pianist, played on the first post-Stalinist Hungarian jazz record in 1962. Now 54, he moves slowly and speaks softly about being "tired of jazz jazz jazz." Gonda has written symphonic and jazz works, published books on jazz theory and philosophy, he directs workshops and seminars and deals with students and bureaucrats full time.

"As I get older I see that jazz musicians live in such a closed world. They can speak on jazz or women and nothing else for days and days."

It took a few years for the smoke to clear after the events of 1956. Earlier in the '50s, jazz was played only in private concerts, usually in homes. By 1962, there was some social and economic freedom, and progressive artistic forms were encouraged. Hungary was the first country in Eastern Europe to develop a strong jazz community.

The best known, if not perhaps most admired, Hungarian jazz star is the bassist Aládar Pege. Criticism is based on what some musicians hear as a preference for flashy technique over feeling. He was once described as being able to "do anything with a bass but eat it." He plays jazz and classical concerts and festivals all over the world, comes and goes as he pleases, and is described in his official state booking agency biography as "the Paganini of the contrabass."

Who does he consider the best bass player in the world? At first he refused to commit himself. After several possibilities were proposed. Pege finally shook his head and pointed to himself, saying: "Me. I am the best." He flashed a broad smile. Aládar Pege is not fed up.

Two of the best-known Hungarian jazz musicians, the guitarists Gabor Szabo and Attila Zoller, made their reputations in the United States. János Gonda says: "The jazz community completely turns over every 10 years here. Why? They are either committing suicide or, because they cannot make a living with jazz, they turn to variety music or they are emigrating. You can feel the negative atmosphere at concerts. Compared to the '70s, when the mood was so optimistic, everything is on the ground. With the political and ecological situation in the world, what do young people have to be optimistic about? My generation is different. I lose myself in my work."

Hungarians are very careful to make sure you understand that they are Central, not Eastern Europeans. Musicians, and artists in general, are able to move in either direction with relative ease. Few defect, most return. Creative people do not appear to be stuck here. The tenorman Tony Lakatos, for example, who lived in the United States for many years, recently followed a week at the Sunset in Paris with 10 days in Tiflis in Soviet Georgia, and was playing with Babos on Monday night.

Gonda was invited to Australia in 1965, to lecture and give concerts. He said: "They looked at me like I came from another planet. They could not understand that I would go back. You know, the 'Iron Curtain,' and all that. I told them, 'It may not be so easy but it's my home. That's where I have something to do. I was born there. I must do my work there.'"

This year, he is organizing a jazz camp in Tatabánya from July 29 to Aug. 8. And the World Music Days — March 20-26, 1987 — sponsored by the International Society of Contemporary Music will be held in Hungary. A Gonda composition will be performed, the first jazz composition in the ISCM's 40-year history. He must prepare for that. He writes editorials for a quarterly jazz magazine. He is "part of a team" of pédagogues and psychologists experimenting with the general effect of musical improvisation on young children: "It has to do with developing creativity in the form of fantasy, reaction, memory. We have come to the conclusion that musical improvisation is one of the best methods to develop these abilities."

Thanks largely to Gonda, there are eight cities with jazz in the elementary school music curriculum. He is currently spending a lot of energy "trying to put these programs into focus and to create new ones. But you know, for the first time I am thinking about stopping. I feel — how do you say it? — dispersed. It's too much. Perhaps I must change my perspective. I must work less hard, and see the result." He looked at his watch: "Now you must excuse me because I have an appointment with my cardiologist."

Aládar Pege: Who's the best bass player in the world? "Me. I am the best."

Dining Out

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David Zinman: Catching Up Steadily to Beethoven's Speeds

By Andrew Clark

ZURICH — There are three questions that David Zinman says a conductor should never ask himself: Why am I not having a bigger career? Why is my name not Herbert von Karajan? Why am I conducting this orchestra when it is not making a difference to anyone? Zinman is ruminating on his profession in his backstage dressing room after a rehearsal with the Tonhalle Orchestra.

The rehearsal had gone well. Zinman has worked hard on a program of Mozart and Stravinsky, and the players regard him as an inspirational force. The Tonhalle manager comes to his room full of enthusiasm and congratulations.

Coming toward the end of a six-week slog through Europe, Zinman needs no reminder of the pressures or pleasures of the conductor's life. "It's disastrous for your personal life, for family and children. If you're a music director of an orchestra, you're always on call, but in order to maintain an international career, you have to be away — there is a pressure to appear.

"It's a vicious circle. When you're young, it's like when you're poor — you never seem to have enough. When you're established, it's like you're rich — deep down there's a fear you're going to lose it. It's a neurotic part of our business.

"I have a huge love-hate relationship with my life as a conductor. Sometimes it seems like a giant treadmill between me and the Internal Revenue Service. Sometimes I ask myself whether, in 20 years it will just be more and more concerts. A conductor's career is a lottery. The best thing is to get on with what you're doing and find a way to enjoy it. And there *are* great rewards — the music itself, the people you work with, and the *healing* power of music. Arid once somebody said, it's better than working."

Zinman — who will be 50 on July 9 — has not done badly out of the lottery. He made his Berlin Philharmonic debut last year and is a regular visitor to the Concertgebouw Orchestra in Amsterdam. He makes a steady flow of recordings, and his sensitive accompaniments have established him as a favorite of many leading soloists. He became chief conductor of the Baltimore Symphony last September, and will tour Europe with it next year.

But like other conductors whose progress has been steady rather than meteoric, Zinman needed more than talent to work his way "up through the slime," to use his words. Zinman was in the same conducting class at Tanglewood as Claudio Abbado and Zubin Mehta — "I was the token American" — but it was not until he met Pierre Monteux and began conducting in Europe that his career really began to move. As the veteran French conductor's assistant, he conducted rehearsals, learned the repertoire and earned Monteux's recommendation for conducting engagements. "It was the lucky break that every conductor needs," says Zinman.

Soon he was establishing a reputation as conductor of the Netherlands Chamber Orchestra and taking a critical interest in some of the issues of Dutch musical life that were topical in the late 1960s, particularly that of authenticity in performing practice raised by Baroque and early music specialists. Now, Zinman sees those discussions as the genesis of his current project at Baltimore — playing Beethoven's symphonies at the speeds indicated by the composer's own metronome markings, generally regarded as impossibly fast.

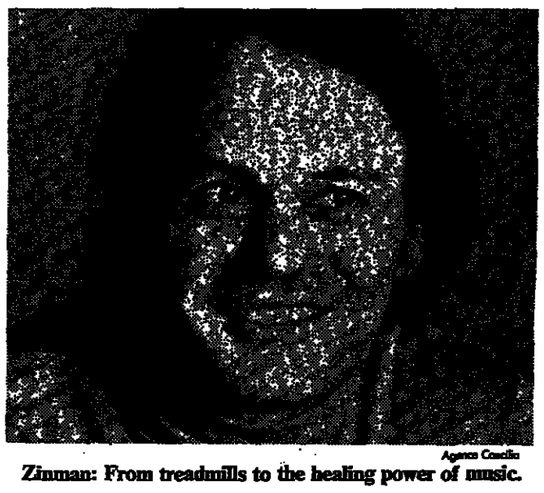
"I had been conducting Beethoven symphonies and never feeling much conviction: it was a matter of borrowing a little from Böhm, from Furtwängler and Walter, always dealing with a mass of tradition which told you to double your woodwind here, make a ritardando there. Then I heard a performance of the Seventh Symphony conducted by Carlos Kleiber that sounded fresh and made me want to study the music again — looking at it not with the hindsight of today, but forward, from the point of view of performing practice in Beethoven's time."

Aided by his own experience as a violinist and by others' research findings, Zinman discovered that the violin bow used by late-18th-century musicians was constructed and controlled in a way that allowed Beethoven's tempi to be followed.

"It needs a form of brainwashing so that they start to do it naturally. It has to sound convincing — not rushed or scrambled. Some go along with it, others think it's a sacrilege. Initially it's very hard for people to understand when they've heard it done one way all their lives. Musicians are more apt to appreciate it because they can see the notes in front of them and know what you're doing.

"What we normally hear is a way of interpretation developed since the mid-19th century as halls, instruments and orchestras became larger. What I'm trying to do is play it Beethoven's way. There are bound to be some compromises — after all, I wanted to bring it to Baltimore so I'm not going to create a special band with original instruments. But it has been an education. It's like taking a new piece and discovering it. It makes the structure and detail much clearer. You can't say Beethoven didn't know what he was doing. He knew exactly what he wanted. He was writing for a style."

Andrew Clark is a journalist and music critic based in Switzerland.



Agence Caecilia

Zinman: From treadmills to the healing power of music.

The Musical Gamesmanship of 'Chess' Survives a Weak Plot

By Sheridan Morley
International Herald Tribune

LONDON — In the theater as in chess, and indeed in "Chess," the timing is all and it is therefore more than a little hard on Tim Rice and the ABBA pop group that their first partnership should have hit the West End at the end of a season in which critics and audiences alike have been clobbered with more musicals and they would normally get to see in half a decade.

From the greatness of "Les Misérables" through the gaiety of "Les Cage aux Folles" to the technological wastelands of "Mutiny" and of "Time" and "Starlight Express," Shaftesbury Avenue has been unusually alive with the sound of musicals new and old, and as a result the critical response to one of the most important homegrown scores and shows of the '80s has been distinctly muted.

Perhaps we already knew it too well: The trouble with preselling scores is that for almost two years now the hits of "Chess" have been on every turntable or cassette deck and most radio stations. How dynamic or revolutionary would "Oklahoma" have sounded in 1943 if the first-night audience had been able to go into the theater whistling the title song?

The other central problem is that "Chess" still has no book: In abandoning the idea of a librettist, Rice has also effectively abandoned the idea of a strong plot, so we have

THE LONDON STAGE

characters and songs and even a few ideas about chess as a metaphor for East-West relations, and yet no overall shape with a show that is precisely about the plotting of pawns in an international power game.

Yet what matters at the Prince Edward is the way that Trevor Nunn, who took over the production from Michael Bennett only eight weeks before its first night, has hauled it into a remarkably coherent dramatic shape. From its opening parody of "White Horse Inn" right through to a long chorale conclusion, this is a staging of considerable intelligence and invention, played out on a brilliantly engineered chessboard which can tilt and light and travel in all directions but is mercifully never allowed star billing.

Around it are ranged banks of video screens to give us everything from newsreels of Hungary 1956 (the heroine lost her father there) to news bulletins of the latest Soviet or American scores in the all-important tournament, but even here Nunn has managed to keep his actors far enough away from the technology so that they remain in control of the stage throughout. He has also managed to bring Elaine Paige far from her frozen and static Eva Perón so that, playing the secretary and aide to the bully-brat American champion (at least until she falls in love with his rather more butch Russian opponent), she at last gives a performance of dramatic as well as musical distinction.

The best of the rest of the score is sung by Murray Head and Tommy Korberg as the rival players, though Richard Lyndon and Paul Wilson have a British Embassy duet which comes as a sharp reminder that Rice is the wittiest lyricist we've had here since Noël Coward, while John Turner has a wonderful parody of a Russian drinking song which Nunn has rightly staged as a leftover scene from "Three Sisters."

Molly Molloy's choreography veers from parodies of "Sound of Music" and "The King and I" to highlights from Bob Fosse and Larry Fuller, but it too manages to use the chess metaphor with considerable variation. The only thing wrong with Robin Wagner's set is that, in the temple of the reclining Buddha, the Buddha seems not to be reclining at all. What started out as the most undramatic of subjects, two men playing a highly introvert game, has been turned into a three-hour review of international gamesmanship which we can send with some confidence across the Atlantic to Broadway.

□

Video screens are also ranged around the more cramped confines of the Barbican Pit, where Trevor Griffiths's "Real Dreams" turns out to be an alternately loving and cynical memoir of life in a Cleveland commune circa 1969.

At the turn of the Vietnam war, as American troops were being pulled out in the summer of Woodstock and the Black Panthers, a group of middle-class college kids took to the black and Spanish suburbs in the hope of establishing solidarity with the local ethnic groups. Their first and only mission is to burn down a local supermarket, and in their abject failure even to get a can of petrol successfully filled Griffiths has clearly seen some kind of metaphor for the failure of the United States' college-educated classes ever to get a real revolution going in their own backyards.

To some extent we therefore have here an Ivy League "philanthropist": Griffiths, like Christopher Hampton, is very funny about student inactivity, though he also finds a lyrical nostalgia in those romantic dreams of 20 years ago. In Ron Daniels's production, Gary Oldman leads a strong RSC team with Michel Le Cosfa as the den mother aching to be busted and Vincent Ebrahim as the only true firebrand not to have had his efficiency impaired by a college education.

□

And at the Royal Court, the company which is to Ireland today what the Abbey was a half-century ago, has an intriguing new play by Thomas Kilroy called "Double Cross." "Play" is perhaps putting it strongly: What Kilroy offers is a matched set of character studies, so that the first half of his evening is devoted to Brendan Bracken and the second to the William Joyce, who became known as Lord Haw Haw.

In a double-act of supreme versatility both men are played by Stephen Rea, and that is of course not all they have in common: Both came out of shady Irish backgrounds to reinvent themselves as caricature Englishmen, and that they ended up on opposite sides of World War II, with Bracken an adviser to Churchill and Joyce broadcasting Nazi propaganda from Berlin, is in the view of Kilroy largely an accident of history.

His theory is that they were brothers under the skin, both desperate to acquire a sense of place since they so lacked a sense of themselves, and the final irony is that only by being hanged as a traitor to England could Joyce finally achieve the Englishness both men so craved. Peter O'Toole's daughter Kate and Richard Howard play all the other roles here, but it is Rea's bravura evening and with it he confirms his place at the very head of the modern Irish theater.

Webster Script To Be Auctioned

New York Times Service

LONDON — What British scholars believe to be the only rough copy in the hand of the Elizabethan playwright John Webster — a sheet of paper used as ordinary wrapping for documents of a titled British family — will be auctioned here June 20.

The sheet of paper was identified recently as the 380-year-old first draft of a scene for an unrecorded play by the popular contemporary of Shakespeare.

It is believed that the scene by Webster was written between 1606 and 1609. The 150 lines are scrawled, with many corrections and crossouts, on four pages made by folding rag paper in half and writing on both sides of it.

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International Herald Tribune Special News Report Wednesday, May 28, 1986

France: Starting Again

IN THE NEWS

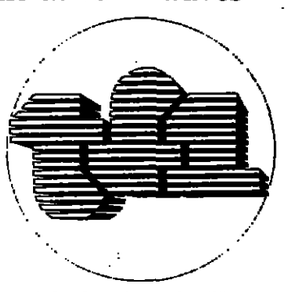
Financing Fashion On the Stock Market

Fashion houses are finding new ways to boost exports and enter the U.S. market. In the last year, three designers have registered their young companies on the Lyon stock exchange — Alain Manoukian, a sportswear house, and two shoe companies, Stephane Kélian and Chaussaria. Manoukian's shares have reached a high of 600 francs and Kélian's 545 francs.

Peugeot Pulls Ahead

Peugeot, the second-largest French car manufacturer, has overtaken state-owned Renault to hold 35 percent of the domestic market, compared to Renault's 32.5 percent. Peugeot director, Philippe Calvet, who took over the company in 1985, has announced a 10-percent rise in gross sales and a 7-percent rise in productivity.

Auctioning Off Lucrative Airwaves



French airtime is up for auction. The state's oldest and largest television network, TF1, will be the first station to be privatized, in accordance with the government's broadcasting deregulation policy. Two press groups, Hersant and Hachette-Matra, have both put in bids to acquire the station.

Videotex a Boon

Businesses are cashing in on the nationwide videotex network, Minitel, which was launched by the government telecommunications authority in 1981. About 1.5 million video-terminal and telephone units have been distributed free of charge to households and offices. The trump card to the private sector has been the "Kiosque" service, costing 62 francs an hour — two-thirds goes to the service provider and the rest to the government. In the past year, 800 services have been created, from want ads to dating services.

New Office Defends Francophone Identity

Prime Minister Jacques Chirac's cabinet includes a new state office charged with defending the French commonwealth's identity. Lucette Michaux-Chevry, a lawyer from Guadeloupe, will head the Francophone office. *Its chief responsibilities will include* increased funding to French schools abroad, the promotion of French cultural and audio-visual industries, the creation of worldwide French databanks and computerized editing in French.

Cynthia Guttman

AN INTERVIEW WITH MITTERRAND

Patrick Demarmost

President François Mitterrand during an interview at the Elysée Palace.

Executive Power in Reserve

President François Mitterrand, in his first comprehensive interview since the March 16 legislative elections, outlined his views on a wide range of domestic and international issues. The 1½-hour interview, which came amid growing political tension with the conservative government of Prime Minister Jacques Chirac, was conducted in French by Axel Krause, economics correspondent of the International Herald Tribune. Following are excerpts from the interview.

• • •

How has the balance of power been changed in France since the March 16 elections?

MITTERRAND: There has been some confusion about the constitution, in light of today's changed situation. We have gone to a system of alternating majorities, or "alternance." It has happened twice since my election to the presidency. It could happen a third time. The first time, it gave me a majority. The second time, it took it away. My political action was modified. My constitutional prerogatives are the same.

Patrick Demarmost

And your role?

MITTERRAND: I repeat, read the constitution. Given what is written in the law, and in light of practices started in 1958 and 1962, along with a parliamentary majority, the president exercises power that is, in fact, indivisible. Without that majority, he keeps his powers and his constitutional prerogatives. Practices that go beyond the texts of the law are out. And what re-emerges is an arbitrative role that had disappeared.

In what manner could you use your powers to change the current balance of power?

MITTERRAND: I can dissolve the National Assembly, organize presidential elections or a referendum. I can call elections tomorrow, but I have no mania about elections. Concerning everything else, I must respect the parliamentary majority. That does not prevent me from making known my views on major questions involving the general interest, both at home as well as abroad — without skirmishing, which would not serve anyone's purpose.

The key roles of the president?

MITTERRAND: The pre-eminent role of the president is in the areas of foreign policy, defense, law and order and human rights. It is not subject to electoral changes.

How do you view France's relationship with the United States?

MITTERRAND: On the whole, during the past 15 years, we have had excellent relations. However, it is sometimes forgotten that we are a sovereign state.

Do you refer to the strains with Washington over

Continued on page 11

Society in Evolution

A Rush of Change Breaks Old Molds, Bends Mentalities

'France is becoming more like other advanced democracies.'

By Joseph Fitchett

PARIS — "French people's beliefs and attitudes have evolved more in the last five years than in the previous 20, altering the old face of the nation out of recognition."

This judgment by Serge July, author of a recent biography of President François Mitterrand, encapsulates prevailing wisdom about France these days: that rapid, radical changes are transforming the nation's politics, its family values, cultural outlook and, perhaps above all, its approach to business and work.

A heady rush of change has become almost routine in France:

• When the trade unions staged their annual May Day demonstrations this year, almost nobody came.

• In a nation where wealth is often treated publicly as a slightly dirty secret, the newest pantheon of national folk heroes are the younger business tycoons.

Routine enough in most other Western democracies, these trends break sharply with the class-war rhetoric to which France's political activists were accustomed and with the deep personal conservatism of most French people, regardless of their political commitments.

For outsiders, these changes are elusive, just as people find it hard to guage the speed of a train coming toward them. Significantly, however, Americans and other Europeans, recent polls show, identify fewer specific French traits and see France increasingly as indistinguishable from the rest of Europe.

"France is becoming more like other advanced industrial democracies," said Nicolas Wahl, an academic authority on French affairs. A body of recent sociological work, he added, confirms the impression of changes in French society due to industrial transformation.

He cited several crucial trends: Heavy industries are decaying together with the trade unions associated with them. New kinds of work, especially service businesses, are spreading. A new brand of individualism is appearing in activities as diverse as entrepreneurship and more personal forms of spiritual activities in the churches.

The change is sometimes summed up in slightly different terms. "French people have concluded that economic power is more important than political strength, making them more pragmatic and less ideological," said Jacques Julliard, a French political commen-

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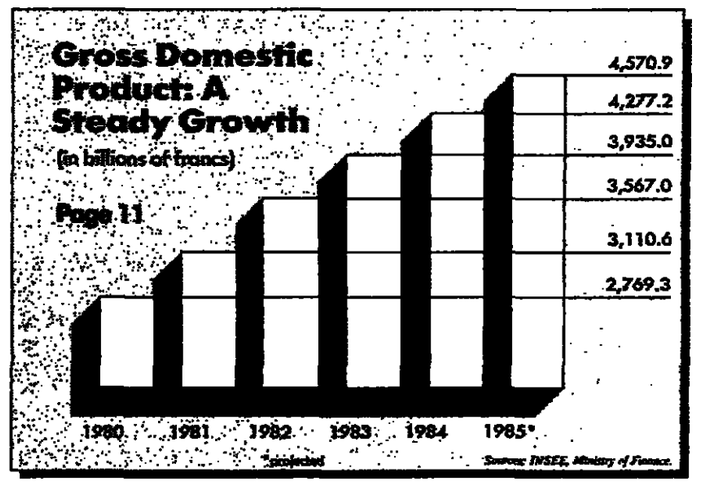
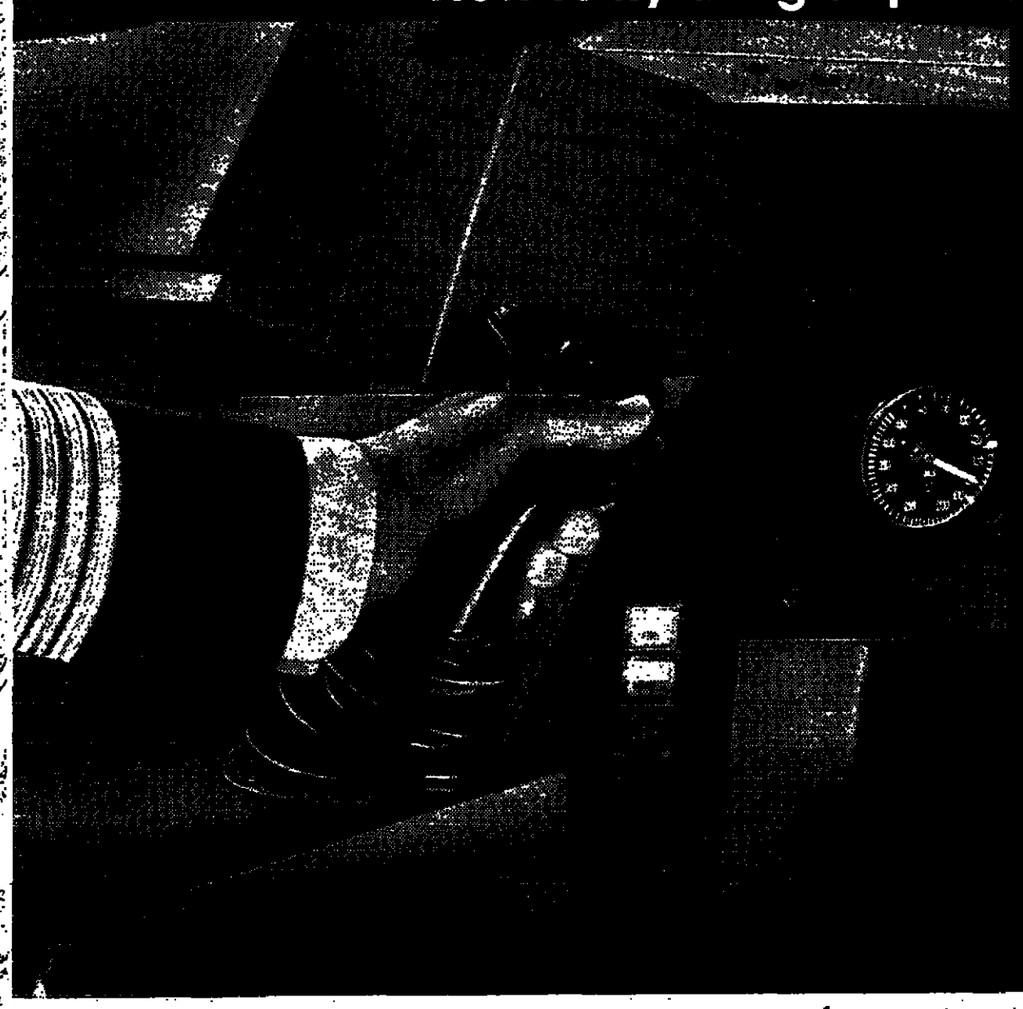


How to fly a big airplane with the tips of your fingers?



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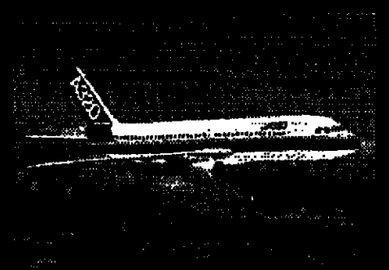


aerospatiale

After the Election, a New Alignment

The Meaning of Political 'Cohabitation'

French public opinion is enthusiastic about the new arrangement.

By Joseph Fitchett

PARIS — Nearly 100 days into a new era of political "cohabitation," France appears to be adjusting smoothly to the practice of seeing government power shared between a Socialist president and a conservative prime minister.

France's sure-footed start has reinforced international confidence in this country's political stability. And French opinion polls show popularity leaps for the two politicians credited with making cohabitation work so far: President François Mitterrand, a Socialist, and Jacques Chirac, a Gaullist.

But cohabitation will collapse, many French politicians predict. Some expect new elections within months.

"Cohabitation is probably only a bridge to constitutional reforms that will modernize the political process in France," said a well-placed French official.

The official works for Mr. Mitterrand and yet has been offered a sensitive post by Mr. Chirac. Both men, he said, are trying to "win cohabitation" — meaning that each seeks to end the uneasy partnership in a way that casts him in the best light to take full power.

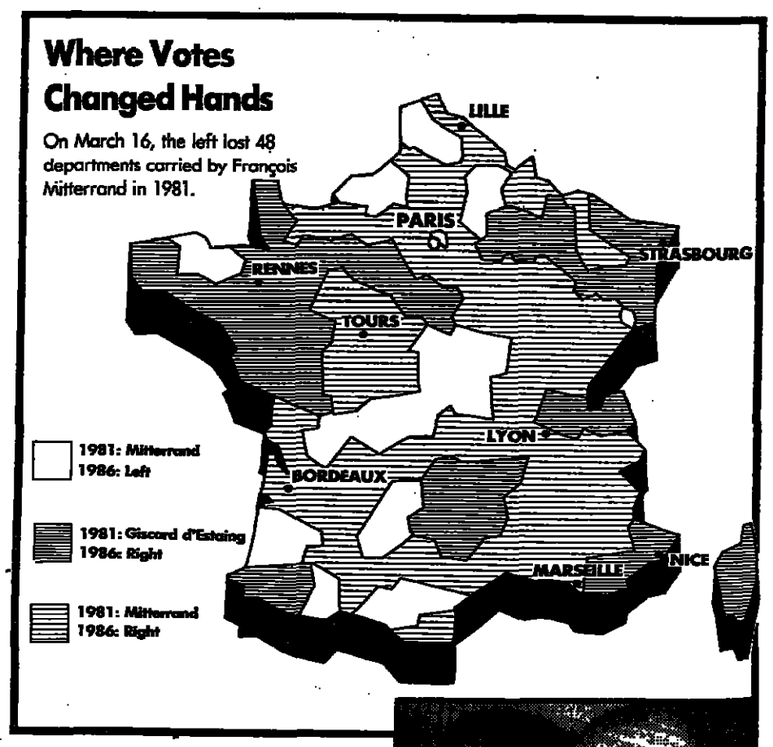
"Every leader has his eye on the presidential elections because France has a tradition of strong executive power," the official said. "After this interlude with a tandem system, the appetite for stronger, clearer government will reassert itself."

But candidates have to maneuver warily because French public opinion is enthusiastic about cohabitation and will punish any politician perceived to sabotage it. "It's like a new kind of gunfight in which the first one who shoots winds up dead," said Franz-Olivier Giesbert, editor of the news magazine Le Nouvel Observateur.

No previous president in recent French history has had to face a hostile parliament. The rules for this kind of political coexistence are less clear in France than, for example, in the United States, where Congress is often controlled by one political party while the president is from another one.

The national stature of Mr. Mitterrand and Mr. Chirac has grown, analysts say, because they are credited with introducing a politics of civility in a country that has often been paralyzed by ideological vendettas.

JOSEPH FITCHETT is a staff correspondent of the International Herald Tribune.



AP

Prime Minister Chirac, left, and President Mitterrand, confer in Tokyo.

Sensing this mood, Mr. Mitterrand and Mr. Chirac have sought to minimize the difficulties involved in governing by compromise without creating an impression of wobbly leadership.

Both men have scant room for maneuver.

Only a paper-thin majority of a few seats protects the coalition government formed of Mr. Chirac's neo-Gaullist party, the Rally for the Republic, and the smaller, more free enterprise-oriented Union for French Democracy (UDF), led by Valéry Giscard d'Estaing, a former president. Mr. Mitterrand's Socialist followers have not rebounded from their defeat last March.

For the moment, the overriding political issue, in public opinion, is the survival of cohabitation, which is widely seen as a kind of political truce.

"Cohabitation has overtones of national unity, which is a hallowed cause for many French people," said Jacques Julliard, a writer on French affairs.

Since a majority of French voters appear to want less government red tape, as Mr. Chirac has promised, and also substantial social benefits, as Mr. Mitterrand says he will maintain, cohabitation is widely seen, for the time being at least, as a form of checks and balances that guarantees a centrist approach.

"People want the politicians to stop squabbling so that the country can concentrate on the main thing: economic recovery," Mr. Julliard said this month in a talk on opinion trends in France.

Theoretically, there is a division of authority, with the president taking the lead in foreign affairs while the Chirac government handles economic affairs and the rest of domestic policy.

In fact, officials say, the Chirac government actually has primary power in almost every sector.

The only presidential power that has remained unaffected is Mr. Mitterrand's control over the launch of France's nuclear strike forces. But Mr. Mitterrand has to be reckoned with because of his ability to delay legislation, to appeal to public opinion or to force new elections.

Behind the scenes, his influence has been strong enough to modify the policies of the Chirac government, slowing its domestic reforms and limiting its impact on French foreign policy.

For example, the government's program of privatizing France's state-owned industries is proceeding more slowly than promised. The French refusal to allow U.S. warplanes to overfly France in route for Libya stemmed partly from fears among Mr. Chirac's aides that, if they advocated cooperation with the United States, Mr. Mitterrand would make it a political issue.

This form of consensus politics is starting to conflict with Mr. Chirac's need to keep his own coalition solid. Leaders of the UDF, already stung by their belief that they are underrepresented in the Chirac government, are complaining that Mr. Chirac is too cautious in office.

Some say privately that Mr. Chirac is using compromise with Mr. Mitterrand as an excuse to renege on his commitments to cut down sharply the role of the government in French life and to give business a much freer hand by deregulating many economic sectors.

On the other hand, Mr. Chirac, like Mr. Mitterrand, enjoys a strong political position because of a subtler change occurring in French political culture in which signs point to a more U.S.-style "presidential politics," Mr. Giesbert said.

Agreeing with him, Mr. Julliard said that French candidates are starting to seek broad national appeal extending beyond their party political base. "Everybody is building political machines for the presidential campaigns instead of depending on their party to bring them to power," he said.

Mr. Mitterrand's most attractive option, most analysts say, is to exploit the feeling that France needs to redefine its presidential system.

The quickest way would be a referendum to shorten the presidential term from seven years to five years. In this way, the president and parliament would have the same term of office. With this system, power would be more likely to change hands at regular intervals between two great political blocs, the center-left and the center-right.

Polls show very strong popular support for a constitutional reform along this line, and analysts agree that the time may be right for France to modify its system to reflect the fact that extremist parties, such as the Communists, have declined in influence so much that they no longer threaten democracy in France.

If Mr. Mitterrand proposed this change, shortening his own term and running for re-election, his appeal would transcend his own Socialist supporters to include some centrists who distrust Mr. Chirac because of his undisguised appetite for power.

Mr. Mitterrand, if re-elected president, probably could lure away some centrist factions in the present conservative coalition with promises of ministries for their leaders.

But Mr. Chirac is buoyed by the rising economic tide — and his claims to have achieved new political maturity, attested by his performance in cohabitation.

POLITICAL PROFILES

Gamma

Edouard Balladur

The minister of economy, finance and privatization, Mr. Balladur, 57, has emerged from the backrooms of politics to become the senior minister and deputy prime minister in the government of Prime Minister Jacques Chirac. He is the driving force behind the government's plans to liberalize the economy, particularly through privatizing state-owned companies. He was born in Turkey and trained at the Ecole Nationale d'Administration. Mr. Balladur ran the firm that built and operates the Mont Blanc tunnel and, since 1982, has been president of two affiliates of the Compagnie Générale d'Electricité.

• • •

Gamma

François Léotard

At 44, Mr. Léotard, the minister of culture and communications, represents a new generation of politician. He has been mayor of the Côte d'Azur town of Fréjus since 1977 and deputy for the area since 1978. He climbed quickly through the ranks of the Republican Party, one of the most liberal of the parties that are grouped in the Union for French Democracy, to become leader in 1984. The title of culture minister belies his power. He has built a relationship with the leaders of the traditional center right without alienating other camps in their rivalry. However, he is popular enough to be a candidate — on his own — for the presidency in 1988.

• • •

Gamma

Pierre Méhaignerie

Mr. Méhaignerie, 57, the minister of construction, housing, regional development and transport, is president of the centrist Center for Social Democrats (CDS), one of the parties under the Union for French Democracy banner. His portfolio oversees the Channel link with Britain, new high-speed TGV train routes, highways, parks and environmental protection. Although the CDS had said that it would not join a *cohabitationiste* conservative government with a Socialist president, Mr. Méhaignerie and five other CDS members joined the Chirac coalition. He promised that he would not be an "in spite of myself" minister and his most important role could be as a critic of cohabitation.

• • •

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Jacques Toubon

Mr. Toubon, 44, is Mr. Chirac's closest adviser — some call him "Chirac's bulldozer." He does not have an official government position but has been secretary-general of Mr. Chirac's party, the Rally for the Republic, since 1984 and serves as Mr. Chirac's spokesman. Their relationship began in 1971. He was chief of staff in each of Mr Chirac's ministries and his technical adviser when Mr. Chirac was prime minister from 1974 to 1976 during the presidency of Mr. Giscard d'Estaing. He is also the mayor of a district of Paris and deputy for another. Mr. Toubon, as a graduate of the Ecole Nationale d'Administration, is considered one of the younger generation politicians with the right schooling and the right experience to influence the direction of the country.

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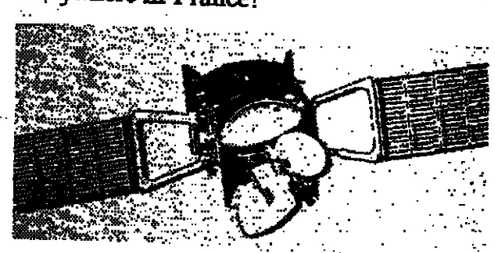

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Presidential Interview

Mitterrand Is Holding His Presidential Powers in Reserve

Continued from page 9

France's refusal to grant overflight rights during the raid on Libya?

MITTERRAND: There are occasionally accidents in a relationship and it was but a small example. We are loyal and strong supporters of the alliance. France also is a Mediterranean power, with interests in the Arab world. Our interests in that regard are not necessarily identical with those of the United States. We have our own methods and ideas. Equally important, one should not forget that there are clear limits regarding the extension of the alliance outside the NATO area.

How do you view the widespread discussion in France about the need to reduce the role of the state?

MITTERRAND: In recent years, the state was interfering far too much in everything. The "bourgeoisie," which calls itself liberal, is by nature and by education *dirigiste*. But the corset became too tight. The Socialist victory in 1981 presented a risk, because Socialists are no exception when it comes to centralizing. But I persevered and, with Pierre Mauroy and Gaston Defferre, played a decisive role in creating new structures. We decentralized institutions and brought many more people into the decision-making process.

Isn't that somewhat contradictory in light of the nationalizations?

MITTERRAND: Of the seven groups nationalized in 1981 and 1982, only one was already profitable, CGE. All the others were ailing. Some were in a catastrophic situation, such as Rhône-Poulenc, Bull and even Thomson. Heads of nationalized companies were given considerable autonomy and once the goals were set, they were given a free hand to manage. Today, those that were heading toward bankruptcy are in good shape, or are recovering. Socialism is not incompatible with good management.

Do you see the reform attempts by the conservatives, since the March 16 elections, as the beginning of a revolution in reducing the role of the state in the life of average French citizens?

MITTERRAND: I do not see what you are driving at. A revolution? I have not noticed that. No. But, indeed, there will be changes.

What about their recent statements, regarding intentions?

MITTERRAND: Everyone has good intentions.

Some observers believe that some economic reforms announced by the government are simply extensions of reforms started under Pierre Bérégovoy and his predecessor, Jacques Delors.

MITTERRAND: Yes, on certain points. No, on others. But what is involved are two different systems of thinking.

What about governmental plans to privatize French television?

Patrick Demarchelier

President Mitterrand: "I have no mania about elections."

Highlights Of Interview

- **Politics: Under cohabitation, the president is an arbitrator. He will not directly criticize the government.**
- **Libya: The United States ignored France's rights as a sovereign state.**
- **Summit: Talks on terrorism were useful, but North-South issues were ignored.**
- **Economy: The export gap with Germany will diminish.**

MITTERRAND: I recently went beyond intentions. I created the private sector in television and radio. But it is complementary, in my view, to a public service audiovisual sector, which I consider necessary, and has evolved into a magnificent tool.

Thus, is France changing direction?

MITTERRAND: The policy in its intentions, as you say, is changing today and it is, naturally, very different from that of yesterday. The majority is trying to go back on what we accomplished, through the denationalizations, for example. I believe the government, in its way, is striving to do something else, to tackle the future. Intelligent and patriotic people are in power. I do not share their way of viewing things. One cannot set returning to the past as the only goal of a nation.

How can you respond?

MITTERRAND: My role is not to criticize. It is to place the government and the French people on guard about the consequences of governmental actions each time I feel they harm the rights of one or another social or ethnic group, or individual rights, and which endanger national unity. Through debating with them, [the government] sometimes in public, I hope the French people will be the beneficiaries.

Last year, you said the government's greatest failure was unemployment and that it would cost the Socialists the election. How do you view the problem today?

MITTERRAND: It is a problem. It was there before and it is there now.

Can it be solved?

MITTERRAND: We have already done a great deal in moving toward creating the conditions for recovery, such as reducing the inflation rate to about 2 percent. A great deal remains to be done. I would like France to become more flexible. Its structures are too rigid. In a centralized country, knowledge and responsibility should be spread more widely. But simply creating wealth is not enough — it has to be shared.

Do you feel isolated as a Socialist in Western Europe today?

MITTERRAND: Not really. Out of the 12 Common Market leaders, there are always four or five Socialists.

Is France moving to an American-style system of government?

MITTERRAND: The American system has positive elements. I see advantages, and there are some inconveniences. It has not prevented President Reagan from coming into conflict with the Congress. France is currently in a parliamentary system, even though the letter of the law has been pre-empted by practices established since 1958 and 1962. Today, the letter of the law is making a comeback. Some change is possible, but it is not for tomorrow. Experience will tell.

In the late 1960s, some observers believed France would overtake West Germany as the leading economic power in West Europe. Is that goal realistic?

MITTERRAND: France has not positioned itself to compete with West Germany, but with all large, expanding countries. It took us more time than Germany to organize our industry, to evolve from a predominantly rural society. A major effort was made to modernize and invest in public and private sectors. But we are still behind in some areas, such as computer components. Concerning exports, Germany still has a serious advantage over us. I think that gap will diminish.

You have just returned from your sixth annual summit of industrialized countries in Tokyo. Have your views changed about their usefulness?

MITTERRAND: I have previously expressed reservations about summits, primarily because I have feared that they would, or could, evolve into a worldwide policy directorate of leading industrialized democracies. It is unreasonable making decisions when others are not present — industrialized as well as developing countries. The temptation exists. But fortunately, the summits have made considerable progress, as I believe Tokyo showed.

In what areas?

MITTERRAND: In monetary cooperation. Since 1985, there has been a recognition among most of our major partners, particularly the United States, that the prevailing disorder in the markets was causing damage to everyone. France has been pursuing a more coherent international monetary policy for a long time, and the idea is beginning to make headway. Summits also are an opportunity to discuss current problems, such as terrorism. At Tokyo, it was useful talking with President Reagan, whom I will see again July 4 in New York.

One doesn't hear much anymore about North-South dialogue, another concept which you have actively supported.

MITTERRAND: I raise the question at every summit. I am afraid in a somewhat isolated way. But there is practically no more North-South dialogue. To be fair, the European Community is very active with regard to developing countries. Its voice is heard and that it is very positive.

What do you think of the Baker Plan to ease developing countries' debt burdens?

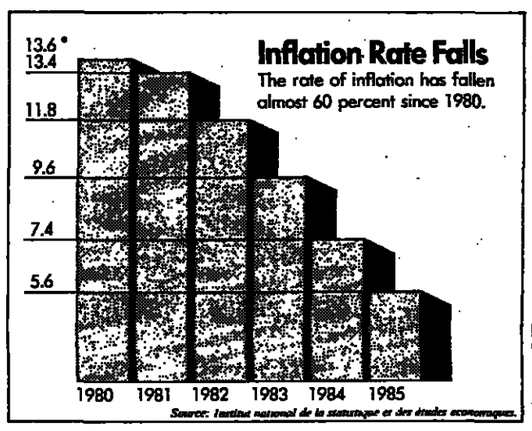
MITTERRAND: The plan certainly goes in the right direction. But it is only a sketchy answer. It is understandable that the United States has been disappointed with the failure of development, and by some ingratitude.

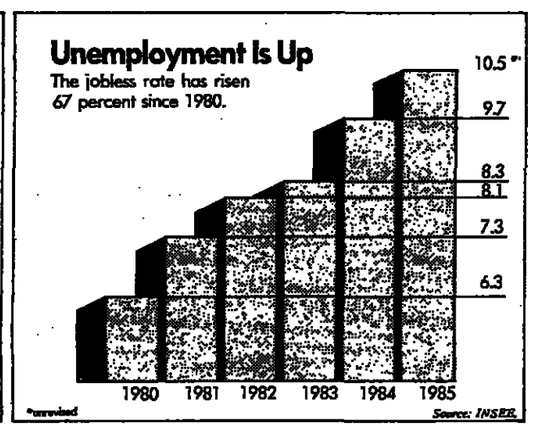
What do you hope to accomplish during your trip to Moscow during July?

MITTERRAND: I hope it will be useful for the cause of peace. It is a return invitation by Mr. Gorbachev and we expect to be discussing the issues, which tend to be the same at these meetings you know about — such as disarmament and space.

Economic Outlook

The Economy Rebounds Slightly





By Axel Krause

PARIS — President François Mitterrand last year predicted that if the Socialists lost the March 16 parliamentary elections, it would be because of his government's failure to resolve a major problem — rising unemployment.

Today, with the number of jobless at a record 2.4 million, or more than 10 percent of the labor force, and still climbing, the conservative government of Prime Minister Jacques Chirac is trying its hand at restoring growth to the virtually stagnant economy, but with decidedly nonleftist methods.

Many political and diplomatic observers believe that the jobs issue will not only haunt Mr. Chirac's plans to seek the presidency when Mr. Mitterrand's term ends in 1988, but may also again determine who wins.

Finance Minister Edouard Balladur, one of Mr. Chirac's closest advisers, said during a recent interview: "We now have the slowest growth rate in Western Europe — we want to change that pattern by creating expansion and jobs." How?

"By providing freedom to the economy, while reducing financial charges and other restrictions on employers," Mr. Balladur said. "I definitely am not a *dirigiste*." *Dirigisme* signifies direct government economic intervention and control.

Since the elections, Mr. Balladur and his deputy ministers have announced a sweeping program of reform measures, starting with last month's 5.8-percent devaluation of the franc against the Deutsche mark. Follow-up moves included substantial cuts in the 1986 budget, introduction of a bill to denationalize major banks and companies, and measures to substantially relax controls on foreign-exchange transactions, industrial prices, employer layoff practices and on the domestic banking system. Moderate cuts in interest rates were also introduced as part of the package.

Additional measures, coming early in 1987, include a cut in the corporate income tax rate from 50 percent to 45 percent, elimination of a controversial wealth tax established by the Socialists and an amnesty for repatriation of capital from abroad, subject to a 10-percent tax. Meanwhile, the government plans to cut spending in an already tight budget by 40 billion francs ($5.6 billion).

Brushing off criticism that the government has not moved quickly enough, Mr. Balladur emphasized that the deregulation measures in particular were aimed at stimulating investments that would trigger growth. These and other steps, he said, represented a reform program decidedly different from the previous Socialist governments of Prime Minister Laurent Fabius and his predecessor, Pierre Mauroy.

"We are committed to privatization, they [the Socialists] nationalized; we want to reduce, not increase taxes, charges and the national debt burden; we are eliminating exchange controls and we are making decisons to reform the economy, which they did not," Mr. Balladur said. He is fond of telling visitors that following the recent devaluation, foreign funds, totaling 50 billion francs, flowed into the country.

When will growth start? In cautious terms, Mr. Balladur said that it was "a wish, not a projection" that the economy would begin picking up in the autumn, reversing current sluggishness. According to the National Statistics Institute, expansion in the first quarter was rising at an annual rate of only 1.2 percent, compared with a 1.1.-percent growth during all of 1985.

Many economic analysts, including those outside France, are now revising downward their predictions that the economy this year would expand by between 2.5 and 3 percent from 1985; most expect maximum growth of between 2 and 2.5 percent. Analysts also agree with the institute that unemployment will continue rising by about 200,000 this year, and by substantially more if government-backed easing of layoff rules are implemented.

Meantime, France's trade deficit widened sharply in April and prices on the Paris Bourse have fallen sharply, partly in response to predictions by bankers and diplomats that France shortly will face some social unrest, occasional strikes protesting the reforms, and possibly, new elections.

The main bright spot is lower inflation. The government has projected the 1986 inflation rate at around 2.3 percent, down sharply from a revised 4.7 percent in 1985. That, according to government and private economists, represents determination to continue the Socialists' restrictive monetary and fiscal policies started in 1983. "We do not have any choice on that issue," a minister commented.

Foreign investors are expected to play a key role in the expansion, notably on the Bourse, as shares of privatized shares are offered for sale. Leading West European and U.S. companies, banks, pension funds and wealthy individuals have said they were prepared to invest substantially in French companies.

Foreign investors are expected to play a key role in the expansion.

But prospects for deals materializing soon have been clouded by uncertainties, such as the percentage of shares foreigners and single groups will be allowed to acquire in privatized groups and how sensitive, direct investments will be handled.

A controversial test case was the recent move by Carlo de Benedetti, chairman of Olivetti SpA of Italy, to buy the controlling interest in Valeo, an independent and ailing car-components manufacturer. Mr. Balladur blocked the takeover bid on the grounds that Valeo was vulnerable because of its "defense-related" activities.

Bankers and diplomats said the minister's reaction contradicted the government's "liberal" approach to business, noting that Mr. de Benedetti's bid also is being challenged by the French automobile industry.

Alain Minc, a former executive of the state-owned Saint Gobain group, who is directing Mr. de Benedetti's planned expansion in France, said that Valeo could become the center of an enlarged West European auto-components company. "We are talking about a major investment at a European level, not a move directly related to privatization," as the government has suggested, Mr. Minc said. "I hope it will be resolved shortly," he added.

Other pending projects being watched by investors include a $2.2-billion proposal by Walt Disney Co. of the United States to help build a European Disneyland near Paris and a proposed trans-Atlantic cooperative venture between state-owned Cie. Générale d'Electricité and American Telephone & Telegraph Co. Both were blocked by the Socialist government, which urged more talks. Senior officials in the Chirac government say they do not yet know how the projects will be launched, but Alain Madelin, minister of industry, has promised that a decision on the CGE-AT&T project will be made before the end of June.

A Gallic Silicon Valley

PARIS — French and American venture capitalists are trying to develop the Gallic equivalent of Silicon Valley or Boston's Route 128. And there is a premium being placed on finding typically French investments.

Sofinnova, one of the oldest and largest French venture-capital funds, established in 1972, launched its own shares on the Paris Bourse's secondary market in December. But according to its principal, Hervé Hamon, the Bourse "discounted" the new issue because one-third of the fund was invested in the United States rather than in France.

Foreign venture capitalists also are heading for France. Among them are Investors in Industry and Charterhouse of Britain, and, from the United States, Alan Patricof Associates, Citicorp Venture Capital and TA of Boston (in Alpha Venture, along with Dutch interests).

American venture capitalism in France is different from what goes on in the United States. Gérard Tardy, senior of the four managers charged with investing the $25 million that Citibank has earmarked for France, said that among the investments is Bio-Europe, a Toulouse firm that uses natural enzymes to produce food additives. It was founded by a professor and a businessman formerly with Corning Glass. Another is Digipresse, a company that makes read-only memory compact discs for computer archives.

But in addition to these "classic" venture-capital investments, Citicorp in France is also taking a stake in a firm producing couture founded by Guy Paulin, the designer who took over from Lagerfeld at Chloé — something you will not find in Silicon Valley.

Most venture investment in France will be for amounts under 10 million francs ($1.43 million), which is why there may be several investors. And, as elsewhere, the largest industrial concentration is in electronics and computer technology.

One legal obstacle to freeing up investment flows in France still remains: the law that makes financial advisers to a company responsible to its creditors in the case of bankruptcy. For venture-capital investors, this can create a dangerous risk.

Vivian Lewis

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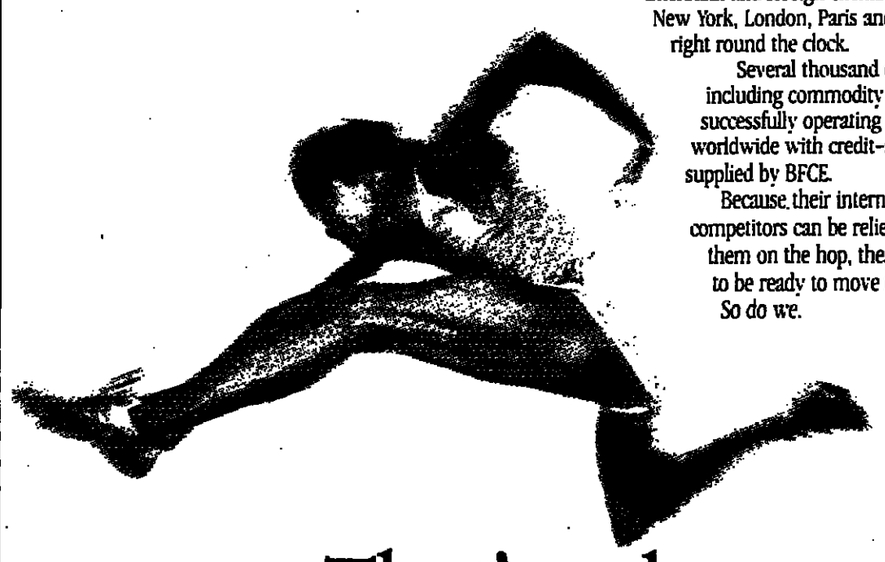

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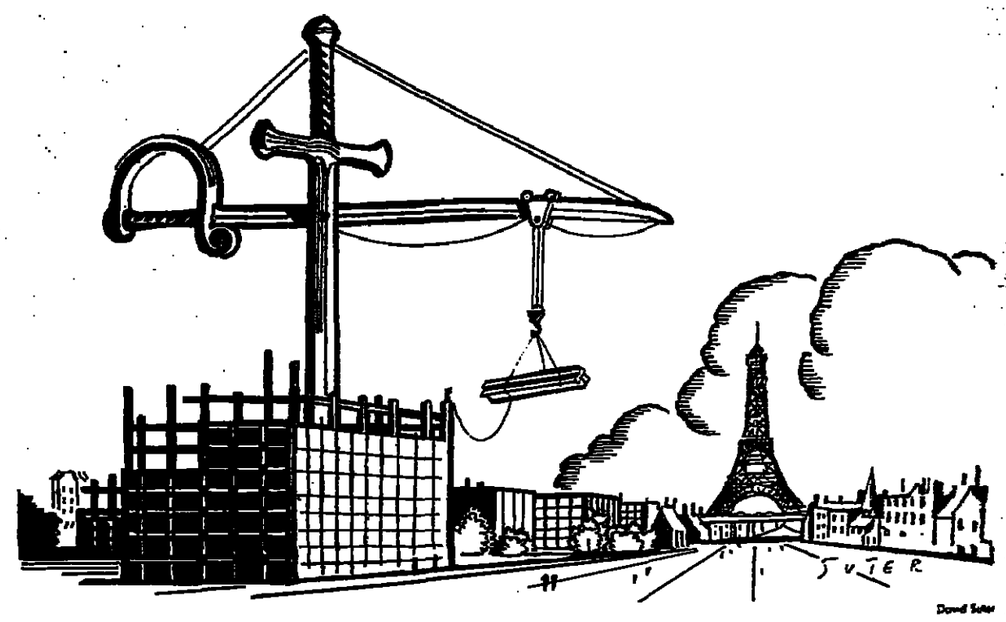
Grandes Ecoles

Forming Movers of Industry And State



David Suter

By Vivian Lewis

PARIS — On the campus at Palaiseau, which houses the Ecole Polytechnique, one of the prestigious *grandes écoles*, you can tell that the trees were planted by the French Army because they are perfectly lined up by rank and file. The narrow-slit windows of the dormitories might have been designed for the Maginot Line.

The new rector of this engineering college — often called "X" because of its symbol of two crossed swords — is only too willing to stress the military theme. Bernard Esambert believes that "the world is in a state of economic war in which all countries are battling each other. General Motors is fighting Toyota in a new form of war, in which export companies are the infantry and multinational corporations are the parachute corps. The casualties of this war are the unemployed."

He adds, "In this economic war, Polytechnique prepares the officers. Such an officer has to be professionally competent, able to lead and motivate men. He has to be creative and to take responsibility."

In addition, the alumni wage a second "war" with graduates of the other *grandes écoles* for top jobs in industry and the civil service. "Some jobs in France," said Maurice Guéron, a professor of biophysics at "X," "are felt to be kept for 'X' graduates; if a non-'X' applies, people are surprised."

Alumni of "X" in key positions include Jean-Loup Dherse, a vice president of the World Bank and a former chairman of Rio Tinto Zinc; Michel Vailland, chairman of Schlumberger Ltd.; Georges Besse, chairman of Renault, and Bernard Pache, chairman of Péchiney.

Daniel Gourisse, the director of the Ecole Centrale des Arts et Manufactures de Paris, another of the *grandes écoles*, thinks the system arose because the universities, which had a monopoly on the formation of elites in the Middle Ages, failed to adapt to new needs for engineering skills. To fill the gap, French governments set up specialized institutions filled by competitive national examinations to train administrators for the state.

Yet, aspects of how Polytechnique functions seem to work against producing a graduate with the characteristics of leadership and creativity that Mr. Esambert seeks. Students have virtually no electives; the only options are for relatively brief projects that they work on in small groups in their second year.

All of the students who are French nationals, including the women, are military officers who have done one year of basic training before entering "X" and are paid an officer's wage plus free room and board and tuition.

To win one of 300 highly sought places at the school, which is 13 miles south of Paris, students who have passed the *baccalauréat* exam at the end of their high school program with honors and a major in mathematics enroll in special preparatory courses, called *"taupe,"* for two years. "Taupe" means mole in French, and the students are being crammed to take the admissions exam.

The intense competition does not end once they are admitted. "X" ranks students in order when they are graduated at the end of the program, which includes the two years as taupes, one year to win officer's stripes and two years to become engineers.

Today, Polytechnique graduates rarely stay in the army. Most go into the state sector, working for utilities or for nationalized companies, rather than for private firms, presumably a heritage of their tradition of public service.

Yet, Polytechnique, which was established in 1794, and other state engineering schools, most of which were founded in the 18th or early 19th century, are threatened in the job market by a newer school — the Ecole Nationale d'Administration. ENA was established in 1945 and has a different character, appealing to students interested in politics.

Its alumni have become the movers and shakers of the French administration. They include Prime Minister Jacques Chirac, former President Valéry Giscard d'Estaing, former Prime Minister Laurent Fabius and former Minister of External Relations Claude Cheysson, among others.

Admission is as competitive as that for the Polytechnique. ENA selects entrants by an exam that most prepare for at Paris's Institut des Etudes Politiques. In their first year, students serve apprenticeships on which they are graded in ministries or regional governments. The system gives them a foot in the door to government that Polytechnicians lack.

At Chatenay-Malabry, an only slightly less-prestigious variant of French engineering education is offered by the Ecole Centrale des Arts et Manufactures de Paris. It was founded in 1829 to train engineers, not for the army, but for private business.

The director, Prof. Gourisse, stressed that the school is closer to industry and to the international pattern of education than "X". It has a three-year program, including a two-year core curriculum and a third year of in-depth work in a subject of the students' choice. The school pioneered exchange programs whereby about 10 percent of third-year students study in the United States and perhaps 10 percent more go to other countries.

The oldest *grande école* is Ponts et Chanssées, which was established in 1747; new ones specialize in turning out aeronautical and electrical engineers.

VIVIAN LEWIS is a Paris-based financial journalist.

A Classic Case

Among the French power elite, former President Valéry Giscard d'Estaing has classic credentials: degrees from both the Polytechnique and the Ecole Nationale d'Administration. In 1974, he was elected president at the age of 48. Defeated in 1981, he now leads the Union for French Democracy, a partner in the rightist coalition.

Reuters

Valéry Giscard d'Estaing

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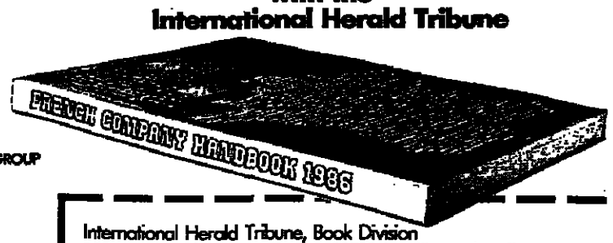

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Agriculture

Hybrid Revolution in the Breadbasket

PARIS — A seed revolution is taking place in Western Europe's breadbasket — France. Mergers and acquisitions abound, as major industrial companies, often with funds coming from such nonagricultural businesses as cement or petroleum, are heavily investing in efforts to develop hybrid or genetically engineered variants of such crops as feed corn, wheat and sunflowers.

Chemical companies are trying to develop packages combining insecticide or pesticide treatment with seeds specifically developed to be able to resist this treatment.

Claeys-Luck, a major seed firm, has been taken over by Orsan, a biotechnology subsidiary of Lafarge, a cement company, and it is researching new hybrids of corn. It has bought into Spain's Agrar Semillas, a hybridizer of corn, grains and sunflower seeds, and into Bataille-Mais, a French seed-corn hybridizer.

Orsan has bought Western Plant Breeder, a producer of wheat and barley seeds in Arizona, as well as other U.S. firms making corn, soya, fruit and vegetable seeds.

Meanwhile, Cérès, France's leading maker of seed coatings and sugarbeet hybrid seeds, has joined forces with Rhône-Poulenc, a chemical firm, to develop insecticides and seeds able to resist the insecticides. Rhône has initially taken a 10-percent stake in the firm.

And it has also bought corn hybrid selection facilities previously run by the National Union of Grain Cooperatives. In the United States, Rhône is in association with Sun Tec International for sunflower development.

Meanwhile, Sanofi, the pharmaceutical and biological subsidiary of the largest French oil company, Elf Aquitaine, has also been buying up seed firms or creating them. Last year, it purchased Dahlgren, a sunflower-seed hybridizer in Crookston, Minnesota.

The new seed investors are trying to create varieties resistant to diseases and with special characteristics, such as early or late harvesting. These are developed using classic hybridization, especially for corn, and by protoplast fusion or genetic engineering techniques.

New methods allow multiplication or fusion of cells, transfer of genetic material, and production of culture from cells from a root, stem or bud. Other techniques grow new plants from cells from an artificially induced callus-like growth on the stem of a plant.

These highly complex seed development techniques are costly, which is why the big companies have taken the lead in developing them. New varieties enable increased acreage to be planted in regions where the crop could not grow before or where it was impossible to increase yields or quality.

Sanofi's seed business, grouped under the Rustica label, is not confined to grains. The company has been developing new varieties of peas and selected colzas as well as forages, brooms, pastures and grasses.

Biologically developed plant varieties are often based on haploids, plants developed asexually and which only have a single set of chromosomes. These are then treated with colchicine to double the number of chromosomes, but since both pairs are identical, the varieties are more firmly fixed.

Other technologies widely used remove celluloid coatings from cells, usually with a chemical agent, so that they can be fused in a test tube. This enables species to be crossed to create a new genetic variety.

Elf got into biotechnology through pharmaceuticals in the early 1970s. René Sautier, the president of Sanofi, said: "We picked a sector with high growth and need for capital. Now we generate enough earnings so we no longer need funds from our parent company."

• • •

PARIS — American yuppies of the Chablis-and-Brie set nearly decided to give up their French cheese following the discovery early this year of contaminated imports and now have to be persuaded that Brie is good for them.

The discovery that stocks of the imported cheese were contaminated with a bacteria called Listeria monocytogene led to a "Brie scare." Listeria contamination of a batch of California-made Jalapeno-style cottage cheese last year led to 61 deaths and stillbirths in California and six deaths in other states.

Brie stocks were recalled and imports were banned pending further tests and tighter controls. By this spring, imports had resumed under stricter procedures for the pasteurization of the milk used in making the cheese and for the labeling of exports.

Vivian Lewis

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Technology for Europe ■ *Disorganized Labor*

Dispelling Myths About French R&D

Compared with most other industrialized countries, France has lost ground.

By Axel Krause

PARIS — Most French citizens proudly regard Ariane, the West European space launcher, as the ultimate success in France's drive for dominance research and development. Several recent ghly critical reports stirring intense debate thin the new conservative government have wn little public attention. These have own the following:

• The successful launching of Ariane, the ns and other high-technology projects n distort and hide France's growing vulkability, notably in the commercial, nonategic sectors of research, such as biotechlogy. France's aerospace and electronics lustries still absorb about 85 percent of ernment research spending.

• Seven out of 10 engineers and managers French industry firmly believe their compas simply did not know how to create a nate favorable to research innovation, acding to the Organization for Economic operation and Development. Average U.S. npanies spend eight times more on rerch and development than their French nterparts.

• Compared with most other industrialized ntries, France has lost ground steadily oss the board since the 1970s. An annual ld competitivity ranking by the nonprofit opean Management Forum in Geneva wed that France last year dropped to 19th e from 15th place in 1984, followed by laysia, Italy and Brazil. West Germany ained in fourth place. The United States ved to No. 1 position.

• Spending on research in France was hed to a record 6.2 percent of gross domesroduct in the mid-1960s, but slowly fell to er 2 percent in the next decade. Starting in l, the level was increased under the Socialto its current level of about 2.2 percent. rtheless, prospects for triggering a new e of innovative research have been debed as bleak by Jean-Jacques Salomon, a ch professor, who last year wrote a major ew of French technology for former Prime ister Laurent Fabius.

Indeed, the fundamental problems blockreforms are structural, which all the rens warned are deeply rooted in French ition and society. Involved are continuing nce on "top-down strategies," which reinthe "corporatist" or "elitist" nature of the French research establishment. That, in turn, perpetuates what the OECD termed "the cleavage between research, education and industry."

The new conservative government of Prime Minister Jacques Chirac, currently seeking ways of positioning France for economic growth, has reaffirmed that continuing West European cooperation in high technology is a crucial prerequisite for success in industrial innovation. Several ministers recently said they supported the expansion of the Ariane and Airbus programs and the participation by French companies in the U.S. Strategic Defense Initiative.

But some large projects have been clouded by uncertainties, such as Eureka, the West European program launched last year by President François Mitterrand, and several proposals to develop French-German space and military aircraft.

Diplomatic officials and research planners from European Community countries, speaking privately, also have questioned the apparent downgrading of the ministerial post for research. In the previous government, Hubert Curien was a full-fledged minister for research and technology. Under Mr. Chirac, Alain Devaquet holds the rank of deputy minister and has been attached to the Ministry of Education, and his budget this year and in 1987 will be cut substantially.

An EC official said: "It seems to be a signal for less direct government in R and D under Chirac. We are taking a wait-and-see attitude."

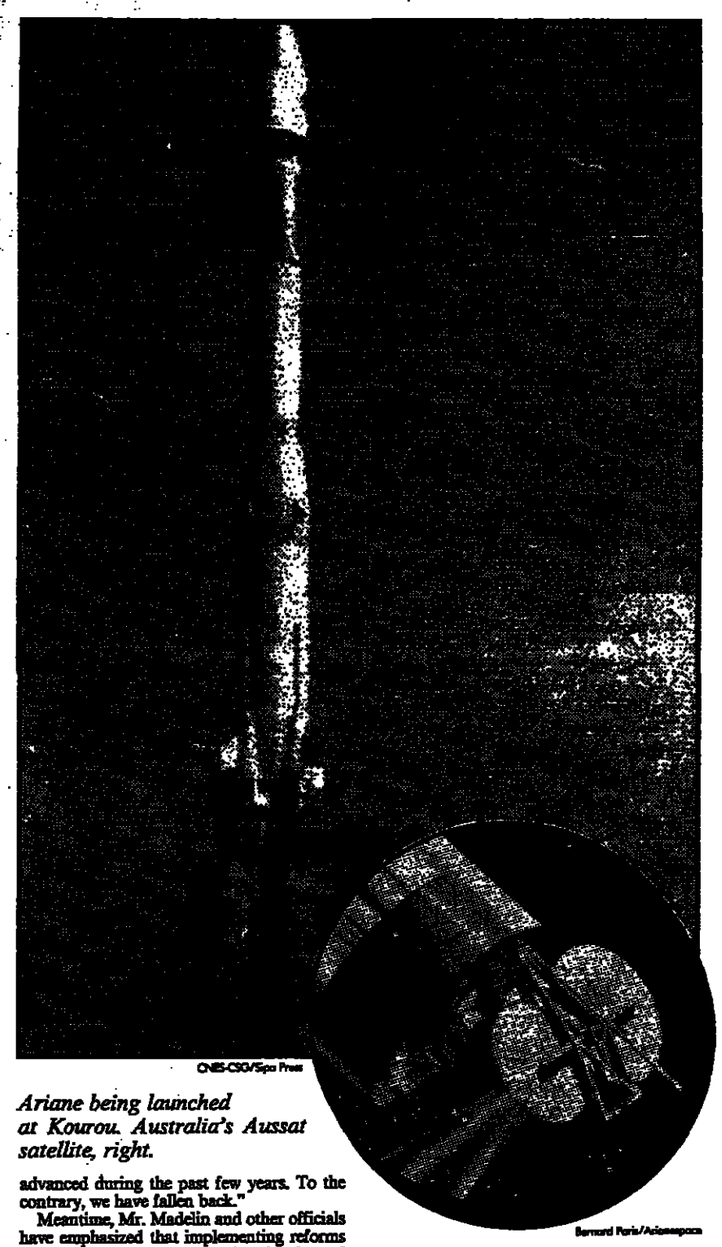
Since the March 16 elections, the new, reform-minded Chirac government has been under intense political pressure to translate its campaign promises into some form of reality. As Mr. Chirac recently conceded in a speech to the National Assembly, "The people want change now." What that means, according to government planners, is shifting research away from government-controlled industrial companies into the private sector.

Tax incentives will be used to stimulate company research, and ties improved between universities and industry, the planners say, while acknowledging the difficulties. Echoing the conclusions of the recent reports on the state of French technology, Alain Madelin, the 40-year-old minister of industry told L'Expansion, the French business magazine, that "It is not true, alas, that France has advanced during the past few years. To the contrary, we have fallen back."

Meantime, Mr. Madelin and other officials have emphasized that implementing reforms will be slow and will be linked to the planned return to private ownership of large, state-owned companies and banks, with the gradual phasing out of subsidies, including in the field of research. He says it is absurd that the amount of aide to companies about equals what they pay in taxes.

Are there any success models? Clearly, some leading companies and research institutes in the private and state-controlled sectors are doing well and are regularly cited by government planners as examples. They include: CIT-Alcatel in telecommunications, Matra and Thomson in electronics, Peugeot in automobiles, Dassault in aircraft, L'Oréal in consumer products and Cap Gemini in computer software.

"These companies are among those innovating in research and we hope others will join in, but hopefully without extensive and direct government help," said one of Mr. Chirac's advisers.



CNES-CSG/Spot Press

Bernard Paris/Arianespace

Ariane being launched at Kourou. Australia's Aussat satellite, right.

Unions Try to Recoup Losses, Redefine Role

By Brigid Phillips

PARIS — French unions have just experienced five years of Socialist government that should have been a heyday for the cause of labor. Instead, unions face dwindling membership, disunity and a psychological struggle over the very future of organized labor in the age of high technology.

In France, as in many Western countries, the squeeze of computer-age technology and economic recession has eroded trade union strength. Union leaders in France began taking stock of their losses about 15 years ago. But they have been longer in taking action.

"Have we moved fast enough to respond to the changing world? No," said Alain Obadia, of the Confédération Générale du Travail (CGT), France's biggest and pro-Communist union. "It has taken a very long time for the rank and file to adapt to a new age and a new way of thinking and break out of the old mold of labor-management relations. The first real progress has only been in the past two years."

That failure to evolve has had its effects. The International Labor Organization estimates that union membership in France is about 15 percent of the labor force, lower than any Western country except Spain and Portugal. The unions themselves acknowledge heavy losses. The CGT says its membership is about half what it was five years ago, and other groups have lost up to 30 percent.

The Socialist-leaning Confédération Française Démocratique du Travail (CFDT), the second largest of the country's five main unions, believes that much of the loss has been part of the hemorrhaging suffered by all large organized groups, including the church.

"People have stopped caring about flowery speeches and just want action on issues that affect them directly," said Daniel Croquette, who heads the CFDT's engineers' federation.

French unions tend to be closely linked to political parties. They do not provide many special services to members, such as trips, inexpensive loans or subsidized housing, and their negotiated benefits apply to members and nonmembers alike. "You get it whether you pay for it or not. That's French unionism," said Mr. Croquette. "So people don't join."

The CGT lists the same problems and adds another — socialism in power. "The situation for labor is worse now than it was five years ago," said Mr. Obadia, secretary-general for engineers, managerial staff and technicians at the CGT. "We have lost purchasing power, there is more unemployment. So now there is a fatalism, a spirit of resignation. It is a feeling that if unions could not even improve things under the Socialists, what hope is there. The Socialist government turned its back on its election promises to labor and, in the end, played a negative role."

The Socialist government won office in 1981 on a platform that set the creation of jobs as a priority. Two years later, it turned instead to controlling prices and massive layoffs in ailing, state-owned smokestack industries — the heartland of organized labor.

Sipa Press

CGT in action in Normandy

The Socialists passed one landmark piece of labor legislation, however, in 1982. The package, called the Auroux Acts, gave more benefits and protection to union representatives and forced bigger firms to involve unions in discussions on working conditions and pay. Employers, however, have said that the law was an unworkable attempt to legislate new life into unions that could no longer sustain their own power.

Union executives are now trying to recover the losses of recent years and find a new role in modern society. They agree that unions must embrace rather than resist new technologies and that unions must help plan how technology can be applied fairly to create new jobs. They want a say in corporate planning, but there seems little chance that they will succeed except, perhaps, in individual firms.

According to employers, the unions have missed their chance to be partners in change. Officials at the Conseil National du Patronat Français, the national employers group, say that the unions refused to consider changes in working patterns in the 1970s.

Unions objected to employer-sponsored plans to bring workers into management planning because "the unions accused us of mounting a war machine that would destroy their power," said one CNPF official.

BRIGID PHILLIPS is a freelance journalist based in Paris.

L'ESSENTIEL, C'EST DE PARTICIPER. L'IMPORTANT, C'EST DE GAGNER.

PARIS 1992

The essential thing is to participate. So said Baron Pierre de Coubertin in 1887 in Paris.
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POINT OF VIEW

French Culture: Who Says It Needs To Be Protected?

By Katherine Knorr

PARIS — Since former Culture Minister Jack Lang made his name international by blasting American "cultural imperialism," almost all debate about culture in France has somehow come back to this. Whether it's Franglais or fast food or television programs or government attempts to broaden access to cultural activities, arguments keep getting stalled over whether the French need cultural protectionism.

The root of the problem is elsewhere, of course. Most orthodox economists will tell you that, however hard and dirty marketing men play, they cannot create demand unless some need, some set of circumstances is there. It's not American robber barons who are changing the Parisian cultural scene. The French craving for fast food, greed-and-sex television shows, blue jeans and foreign slang comes from the emergence in France of a mass-consumer, throw-away society linked to changing family and social patterns. If many of the habits and goods they adopt are American, it is because the United States is such an extraordinary producer of these products.

Editions Albert René - Goscinny/Uderzo

Asterix, a comic force in the French patrimoine.

What other country could have produced Disneyland?

The whole subject of France's cultural standing is a lot more complicated than the slogans. It involves whether the French are producing great works of art or not, whether state support produces great art or whether state support is the natural descendant of the *mécène* system. Whether the French language is more corrupted by the invasion of English than the reverse. Whether television programs like "Dallas" and "Dynasty" really have anything to do with culture at all. And whether the masses really want to go out to see opera or stay in to watch the small screen.

The eternal question in national debates about something as elusive as culture — the arts, plus, presumably, some definition of the national soul — is who can say whether changes are good or bad.

Surely, government officials are among the least qualified to make any comments. Culture, the French *patrimoine*, belongs in some insubstantial way to everyone and can only suffer from becoming a rhetorical tool for people whose main interest in life is keeping a constituency.

Laudable though their concern may be, the fact is that artistic greatness comes from great artists, not from politicians, and that politicians are usually the last to recognize that greatness.

France has changed, dramatically, in the last 20 years, and whether one considers these changes good or bad depends on one's perspective. More people are living in greater material comfort, more women are financially independent or at least contributing to the family income. At the same time, the beauty of the French countryside has been eroded by the gas stations and modern housing clusters that go with that material comfort — and fast and frozen foods are here to stay.

One of the curious omissions from this talk of imperialism is those things that the French seem so willingly to import from America, things that clearly go with fast food and television, notably, failed "modern" educational programs that produce functional illiterates; suburban subdevelopments without community centers; and the great car society.

It is inevitable that mass culture will cross borders whether the French try to ban foreign programs from television or not. People travel more freely, both ways, and so do fads. There is nothing a culture minister can do about that. In fact, one could argue that not allowing the French viewer to watch the same trash that other viewers get is an abrogation of the *droits de l'homme*, or basic rights.

Americans probably have more to complain about French imperialism anyway. A whole generation of yuppies is eating quiche and drinking Chablis.

The complaints from some Frenchmen about cultural imperialism are mixed with the French propensity for seeing America as a new country peopled by *ces grands enfants* — very energetic children, yes, with talent, yes, but children nonetheless without the long history of French culture.

If French cultural authorities want to get rid of "Dallas" and "Dynasty," they will have to create French programs of the same "quality." "Chateauvallon" is a beginning.

If they want to compete with mass audience films like "Rambo," they will have to create their own Rambos.

That costs money, of course, and may not be the first priority for cultural spending. Who cares where trash comes from?

Is it better for the trash viewer to watch J.R. and Crystal or yet another variety program with the same old tired French singers in playback?

Depriving the French of "Dallas" will not drive them en masse to the opera. Building the new Bastille opera won't either, but it will allow those people who cannot get into or afford the Palais Garnier to see some opera.

On the television front, what France sorely lacks is a station that provides the kind of cultural programming done in the United States on the Public Broadcasting System, and on British television. (It is perhaps a measure of the United States' own problems with cultural imperialism that, while it exports "Dallas," it imports many important cultural programs from Britain.) It will not help if France creates a cultural station that just films talking heads.

The recent French cabinet change highlights the problems of government funding. What the left sees as culture, the right sees as weird and subversive; and what the right sees as culture is often so boring that even the intellectual might prefer to watch "Dallas."

France does very well in exporting certain kinds of cultural products, from the wonderful movies of Renoir and Truffaut, to Proust and Sartre and, now, even the usually unreadable Marguerite Duras.

Just as in economic trade wars, anti-protectionists recommend building vigorous domestic industries to counter imports with exports, so in cultural trade wars, a good argument can be made for fighting imports with domestic production. But there are certain products that will always be made better by someone else. The French had better stop worrying about mass cultural products and go vigorously up-market, which they do so well.

KATHERINE KNORR is deputy editor of the International Herald Tribune in charge of cultural coverage.

Changing Times

J.C. Francolon/Gamma

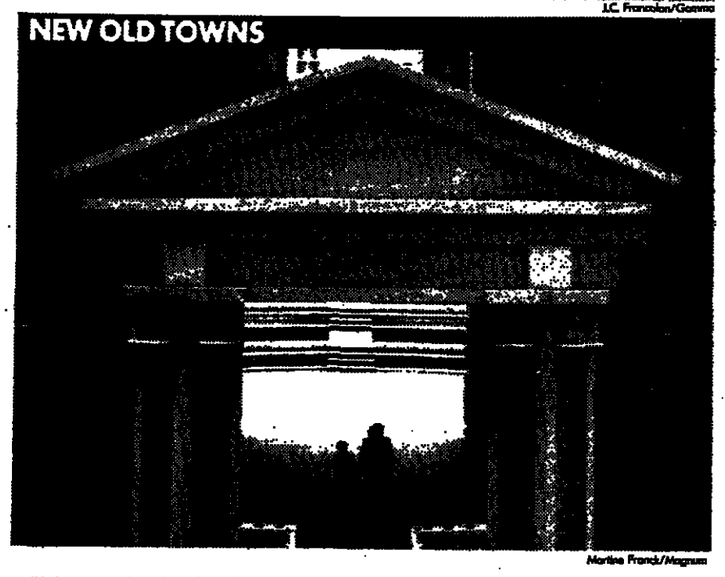
LANG: DID I START THIS?

Gouhier - Sipa Press

Welcome, Mickey!

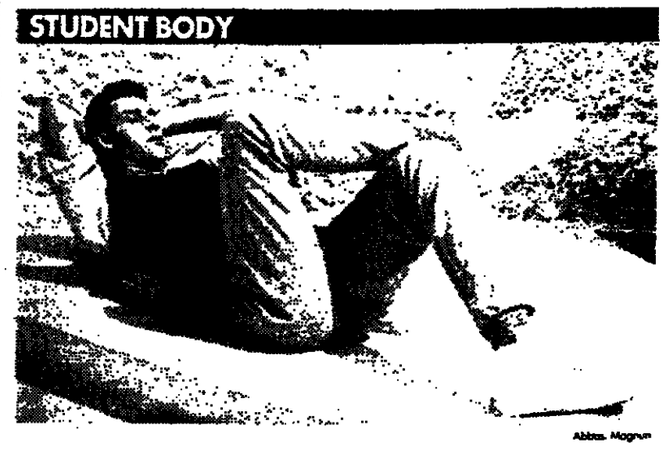
With Michel Giraud, president of Paris regional council, Mickey Mouse visits the future site of a Disney theme park outside Paris.
ABOVE: Former Culture Minister Jack Lang amid celebrities at the Antenne 2 television studio for a broadcast of "The Hour of Truth."
BELOW: A youthful timeout at Les Halles in the center of Paris.
BELOW AT LEFT: At Marne-La-Vallée, a new town under construction east of Paris, modern architecture takes on classic dimensions.

NEW OLD TOWNS



Martine Franck/Magnum

STUDENT BODY



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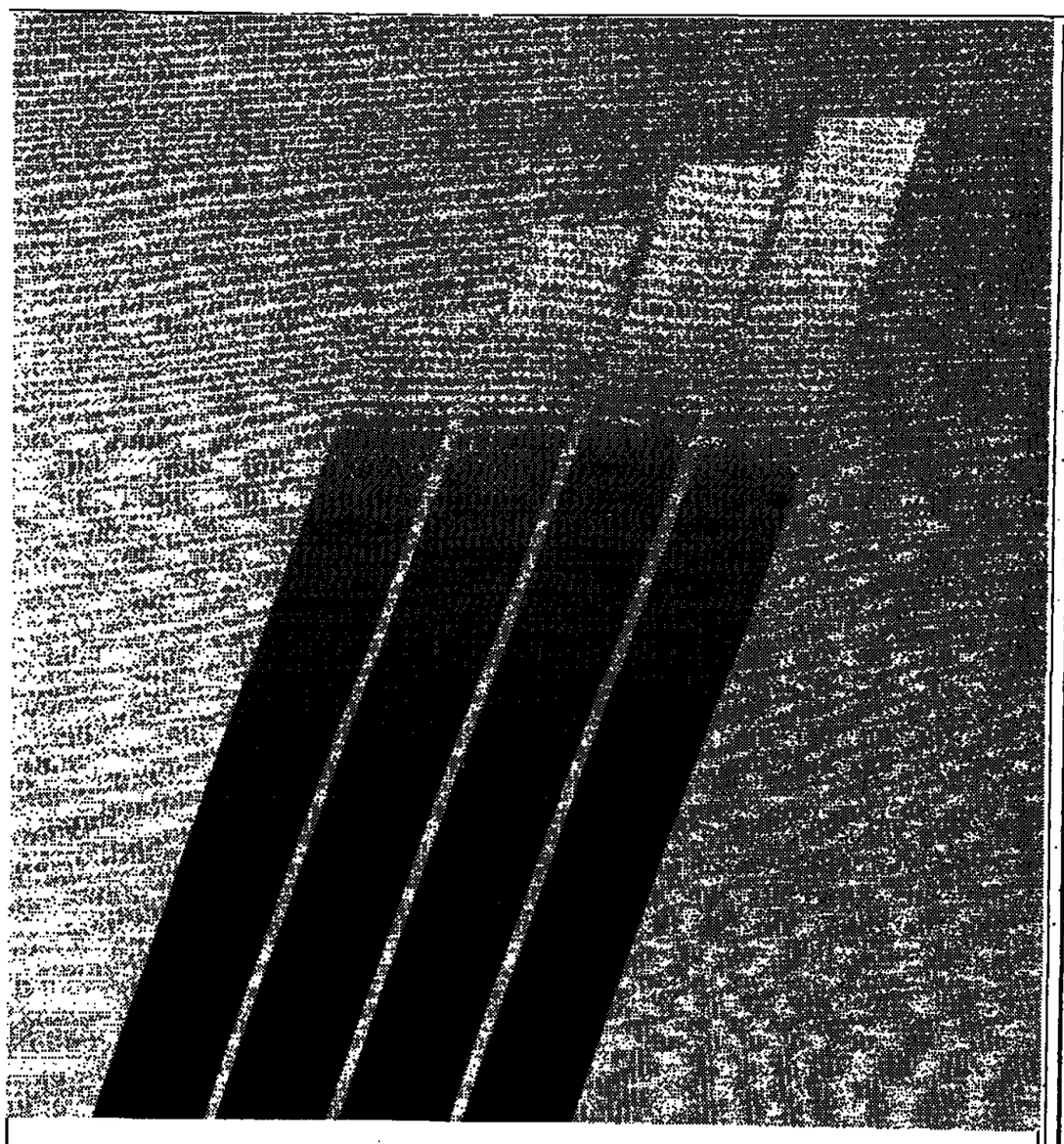

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FIAT
Groupe FIAT en France

VERNIER ET ASSOCIÉS

A Rush of Changes

Continued from page 9

tator. This dovetails with another development in French opinion, a many-faceted campaign to reduce the scope of government control and intervention in French life. France, always the most strongly centralized democracy, has always felt ambivalent about it, tracing both its successes and its frustrations to the power of talented bureaucrats in Paris.

The major bottleneck on economic modernization in France is the country's too-elitist educational system, according to a recent report by the Organization for Economic Cooperation and Development. Government and business in France still are largely managed by an elite of technocrats. As a result, France lacks the layers of middle-ranking technicians and local leaders capable of innovating on the basis of broad guidelines and new technology delivered from the top down.

Many enlightened French technocrats agree that their role has become constricting. "France has been a two-track society, with a minority in the same competitive race as the leading industrial countries and a majority in a protected economic and social environment," said Hervet de Charret, minister of civil servants. "Now, the exposed sector is enlarging fast, stripping away some forms of security that are unsustainable in a modern, competitive economy."

In asserting that French people are ready to accept a more competitive environment, Mr. de Charret articulates the core policy of Prime Minister Jacques Chirac's government: liberalism, in the French sense of the word, meaning reliance on free enterprise instead of state intervention.

Mr. Chirac has pledged to take the country farther toward U.S.-style deregulation and economic mobility. It is a radical turnaround for Mr. Chirac, whose formative government experience was the paternalistic politics of President Georges Pompidou. But his conversion to liberalism would be hardly more surprising than the Socialist government's embrace, over the last three years, of policies aimed at reducing state control and promoting more individual initiative.

The change seems to have been a watershed in France, breaking down some of the more simplistic anti-business prejudices, creating an opportunity to discuss what business needs from the economic climate and stressing the need for industry to perform competitively, not just survive on government subsidies.

In this climate of opinion mentalities and habits are chang ing fast in influential strata o French society. But it remains un clear how deeply and how perma nently these changes will permc ate the rest of the nation.

Nor is it clear whether Franc is going to change faster in th next few years: The great change may already have occurred, an further change may cause spasm on deep cultural nerves and eve start to look destabilizing.

Simultaneously, French peop have experienced other tremo on their institutional landscape

- France is about to join th ranks of European countries wi commercial television, but it doing it with a vengeance: B sides authorizing new private owned networks, France is set t be the first country to privatize existing state-run network.
- In a nation traumatized b record unemployment, the go ernment says it will remov France's unusual (and large symbolic) *restraint on firings*, th requirement for the government labor inspector to approve dis missals in advance.
- Sociological research indi cates that values are changing sig nificantly between generations in contrast to the strong continu ity that has helped maintain so cial cohesion in recent decades. Work on how attitudes develop among children, cited by Susan Berger, a U.S. researcher in Paris, shows that political views continue to be passed on from parents to children. "But even in conservative families, where the politics continue, moral values are changing, with young people becoming more permissive and more tolerant on sexual and other personal issues," Miss Berger said.
- Great changes in French for eign policy attitudes fit this ne mood. Nearly 90 percent of French people said "yes" when asked if they thought the United States would help France in a crisis. This was a 20-point jump compared with a poll five years ago.

Even in cultural attitudes. French tastes are becoming firmly international — as is much of the country's cultural production. This trend has triggered concern about English words slipping into French usage, particularly in high-tech fields.

Despite all the pressures for change, there is still significant inertia.

Mr. Chirac's top aides, themselves the products of France's elite civil-service selection, have reservations about French people's ability to make France work from the bottom up. Their hesitations will grow if accelerating change produces social trouble.

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Herald Tribune. (International)

BUSINESS/FINANCE

WEDNESDAY, MAY 28, 1986 **

Dow Index Soars 29.74, Page 16.

INTERNATIONAL MANAGER

Career Women Now Blend Office and Home Lives

By SHERRY BUCHANAN

International Herald Tribune

LONDON — Since joining the executive ranks, women have been wondering if they can really have it all: success at home and at work. According to recent U.S. and British surveys, adjustment still can be difficult, but businesswomen have gotten better at coping with both sides of life.

Single businesswomen no longer see career and marriage as an "either-or" proposition and married women executives are finding ways to deal with the kids.

In the 1970s, the women's liberation movement in the United States sold women an "either-or" bill of goods: become a housewife and have kids or get out there, be independent and make it on your own. But nowadays, women are successfully — and happily — enjoying both career and family.

> 'My work enhances my own sense of value and so is positive for my relationships.'

When she left Sweet Briar College in Sweet Briar, Virginia, in 1972, Stephanie Simonard says "it was either get married or go to graduate school or get a job." Now a partner with Peat, Marwick, Mitchell & Co., the French subsidiary of the international accounting firm, she says: "I got married, got a job and moved to France. It's difficult, but I wouldn't give up a piece of it."

A 1984 Wall Street Journal-Gallup survey found that marriage had a lot to do with whether or not successful businesswomen were happy in life. The least-satisfied businesswomen were divorced or single and under the age of 45 — 45 percent of divorced women and 46 percent of single women under 45 said they were dissatisfied with their personal life.

But a majority of the businesswomen surveyed, 82 percent, were highly satisfied with their careers, and 78 percent said they were satisfied with their personal lives.

Similarly, surveys show that a majority of British women executives are finding happiness in their success. A just-published study by Working Woman, the London-based publication, concludes that a successful career makes a woman feel happier about her personal relationships.

FOR THESE WOMEN, a career is a means of self-expression and the basis from which to build a satisfying personal relationship.

"The knowledge that you can do a particular job well improves our self-esteem to the point where it is easier to handle other personal areas of one's life," says Audrey Slaughter, the Working Woman editor who conducted the survey.

"In terms of hours and time, of course a demanding job takes away from your personal life," says Christine Ferrier, 28, who started Strada Films, a Geneva-based film production company with a partner two years ago. "But having your own work allows you to deal in a much more independent way in a relationship. I work to find a certain balance in life, not out of an overambitious drive to succeed."

"My work enhances my own sense of value and so is positive for my relationships," says Eugenie de Brancovan, 36, an editor who is launching a new how-to book series, "La Vie Claire" for the French entrepreneur, Bernard Tapie. "My reason for working comes more from an overwhelming need for independence in a relationship than it does from real ambition."

Still, according to a survey published last year by Management Center Europe in Brussels, 60 percent of the businesswomen questioned said that their career put an "unreasonable amount" or "quite a lot" of stress on their private life.

Career women with children often must decide between staying home or finding good live-in help.

"Kids are a real problem. You have to be prepared to be Victorian about it and get a live-in nanny, it's all terribly material," says Catie Thornburn, managing director of Lexitel SA, a Brussels-based multilingual documentation company. Ms. Thornburn, who started the company with her husband, has two

See WOMEN, Page 21

Sperry Accepts New Offer

Burroughs Lifted Bid to $76.50

The Associated Press

DETROIT — Sperry Corp. directors on Tuesday accepted a sweetened purchase offer of $4.44 billion from Burroughs Corp., clearing the way for a merger that would create the second-largest U.S. computer manufacturer.

The board accepted the offer hours after Burroughs said it was willing to pay the equivalent of $76.50 each for Sperry's 58 million shares. The agreement ended weeks of maneuvering that saw the price rise from Burroughs's initial offer of $70 per share.

On the New York Stock Exchange Tuesday, Sperry was the most actively traded stock, gaining $1.125 a share, to close at $74.25, while Burroughs was off 37.5 cents, to $59.50.

Burroughs offered cash for 31 million shares and debt instruments for the remaining Sperry shares. The offer requires shareholder and regulatory approval.

Burroughs' initial offer of $4.06 billion for New York-based Sperry was later raised in negotiations between the companies to $75 per share.

Sperry broke off talks at that point, saying that Burroughs directors had suggested the company would be willing to pay "north of $75" a share.

Burroughs' chairman, W. Michael Blumenthal, in proposing to merge with Sperry, a larger company, said he was trying to create a strong competitor to International Business Machines Corp., the world's largest computer maker.

The combined 1985 sales of Burroughs and Sperry were $10.73 billion, higher than those of Digital Equipment Corp., the second-largest U.S. computer manufacturer. IBM last year had sales of $50.06 billion.

A merged Burroughs and Sperry would have a $30-billion installed computer base and would be a major supplier of defense-related systems, according to figures provided by Burroughs. Its spending for research and development would exceed $700 million.

Tracking the Flight of Latin Capital

Morgan Case Turns Spotlight on Vast Illegal Outflow

By Marlise Simons

New York Times Service

RIO DE JANEIRO — The investigation of Antonio Gebauer and his handling of Brazilian accounts at Morgan Guaranty Trust Co. has focused new attention on the broader question of capital flight from Latin America, an important issue in the context of the region's four-year-old debt crisis.

News of the case, which has involved allegations of the diversion of as much as $6 million in deposits, has shocked friends and critics here of the banker, who has had dealings with Brazil over the past 15 years. Mr. Gebauer has indicated he will contest the charges.

Intense coverage by newspapers, radio and television has treated the case as a scandal. But the presence of "undeclared" Brazilian deposits in New York has not come as a surprise.

Every year, billions of dollars flow out of Brazil and much of Latin America, ostensibly further harming the region's indebted economies.

But American and regional experts say that the flight capital has also brought vast benefits to individuals and companies in the region and to the U.S. and European banks that receive the funds.

The enormous flow of money, much of it in violation of local currency laws, these experts say, has set off intense competition among the large banks vying for deposits. The banks are frequently the same institutions that provide much of the region's credit.

In a number of cases, the same bankers who were involved in the late 1970s and early 1980s in the

Antonio Gebauer NYT

large-scale lending to this region were subsequently assigned to those departments that handle accounts of Latin Americans as they take their capital out of the region again.

A portion of Latin American capital is generated abroad and never enters the region, financiers say. But they also say that it is common knowledge that the bulk of the funds leave via established avenues: black market dealings, double invoicing, gold sales or couriers.

The workings of capital flight appear to be well known to experienced foreign bankers in the region. Several U.S. and European bankers, when asked if they were aware of the source or the route of the funds, declined to provide specifics but said that they had a good idea in the case of their large customers.

"We all know that a lot of money going north is flight capital," said a North American banker who has worked in three Latin American countries. "Everybody knows the Latins are breaking their own rules. But it's not up to the banker to ask. If you talk to the client about where he got his money, he takes it somewhere else."

A senior European bank official said: "It's a given that much of the Latin capital abroad is avoiding taxes. But that's the clients' problem, not yours."

Morgan Guaranty said in a statement on flight capital that "the bank has a policy of not accepting accounts where it is in any way on notice that the customer of the bank is violating his country's currency laws."

Latin Americans have long played off their unstable currencies against the U.S. dollar, but never as extensively as over the last five years. A study published by Morgan Guaranty in March said that, between 1983 and 1985, $30 billion left the region's 10 largest economies.

Most recently, following an initiative by Treasury Secretary James A. Baker 3d to aid major debtor nations through increased credits from banks and international agencies, the U.S. government began stressing the need for Latin America to adopt the sort of policies favorable to business that will discourage capital flight.

"It's also true that the big banks

See CAPITAL, Page 21

U.S. Clears Way For Retaliation On Japan Chips

Compiled by Our Staff From Dispatches

WASHINGTON — The U.S. International Trade Commission ruled Tuesday that Japanese subsidies to semiconductor makers had significantly injured U.S. electronics manufacturers. The ruling cleared the way for countervailing tariffs on sophisticated 64-kilobyte computer chips.

The decision, on a 4-2 vote, was the final step in an anti-dumping investigation initiated last June on the basis of a petition by Micron Technology Inc. of Boise, Idaho, on behalf of U.S. makers of computer chips.

The chips are tiny silicon circuits that serve as the crucial elements in many electronic products.

Imports from Japan of the 64-K dynamic random access memory chips, known as DRAM, were valued at $125.6 million last year.

The Commerce Department determined on April 24 that Japanese government subsidies to semiconductor manufacturers allowed them to sell the chips in the United States below fair market value.

In March, the department announced preliminary findings that two other classes of semiconductors were being dumped in the United States by Japanese companies.

These classes are erasable programmable read-only memory chips, known as EPROMs, and 256-kilobyte DRAM chips.

The commission's decision on Tuesday confirmed its preliminary determination of last August on the 64-K chips.

Tuesday's ruling came despite efforts by the United States and Japan to negotiate a voluntary settlement on Japanese computer-part imports.

The commission's ruling will result in these levies against imports from these Japanese companies: OKI, 35.3 percent; NEC Corp., 22.7 percent; Mitsubishi, 13.4 percent; Hitachi, 11.8 percent, and all others, 20.75 percent.

These are the percentages by which the ITC found that the Japanese firms were undervaluing their semiconductor products in an effort to gain a share of the lucrative U.S. computer component market.

The duties are paid by the U.S. importers of the Japanese goods. The proceeds go to the U.S. Treasury.

The chairman of the International Trade Commission, Paula Stern, said Tuesday that the Japanese imports had caused an unprecedented fall in prices that had been devastating for the U.S. industry.

The vice chairman, Susan W. Liebeler, and Ann Brunsdale, a commissioner, cast dissenting votes. *(UPI, AP, IHT)*

Witness in U.S. Insider Trading Case Tells of 'Cover Stories'

By Robert J. Cole

New York Times Service

NEW YORK — Bruno Pletscher, the key witness in the insider trading case against Dennis B. Levine, has presented the Securities and Exchange Commission with 28 typewritten "cover stories" that he alleges were produced by Mr. Levine last summer when he discovered that he was under investigation.

The 28 items and a deposition by Mr. Pletscher, general manager of Bank Leu International of the Bahamas, were contained in court documents filed by the SEC late last week. His statement is expected to play a major role in a federal grand jury investigation of Mr. Levine now under way in New York.

Mr. Levine, 33, a Wall Street merger executive, was accused in a civil suit on May 12 of illegally trading in 54 stocks through the Bahamian subsidiary of Swiss-based Bank Leu.

Mr. Pletscher is expected to be a major witness before the grand jury. Mr. Levine was arrested earlier this month on charges of attempting to cover up his activities and was released on $5 million bond.

A preliminary hearing on those charges has been scheduled for June 3.

Mr. Levine has maintained his innocence in both the civil and criminal cases, and his lawyers are vigorously opposing Mr. Pletscher's statements as hearsay.

In the SEC documents, Mr. Pletscher also alleged that the bank, as part of the plan to hide the true nature of the stock trading, agreed to lump Mr. Levine's personal account, which he handled himself, into a general account that bank employees handled.

The documents quote Mr. Pletscher as telling the government agency that the 28 "cover stories" were prepared by Bernard Meier, a former bank employee, with Mr. Levine's help. He said Mr. Levine also devised the scheme to disguise his account.

The stories dealt with the investment potential of the 28 stocks, the documents showed. But unlike the detailed studies sometimes prepared by professional analysts, some of the sheets are barely 50 words long and appear to have been informally done.

Mr. Levine, who is believed to have earned more than $1 million last year as a managing director of Drexel Burnham Lambert Inc., has been accused by the SEC of making $12.6 million in illegal profits since 1980 from his purchase of stock in the 54 companies on the basis of inside information.

Mr. Meier, who has not responded to the charges, is accused of making $152,000 in illegal profits in the same transactions.

Mr. Pletscher, along with his employer, has been granted immunity from prosecution in return for cooperating in the government's investigation.

He told the SEC in the lengthy deposition that he first learned of the inquiry from his bank's main office in Switzerland, which said

See INSIDER, Page 21

Joblessness in EC Shows Seasonal Fall

Reuters

LUXEMBOURG — The number of people unemployed in the European Community fell by 360,000 in April from the level of the month before as the end of winter brought opportunities for seasonal work, the EC's statistics office, Eurostat, said Tuesday.

But it said the drop did not signify a fall in the underlying rate of joblessness in the 12 member countries, noting that the April figure of 16.03 million was still 2 percent higher than in April 1985.

The figures showed that the unemployment pattern shifted over the year to April, in terms of countries and sex.

Male unemployment has been cut sharply in some countries, by 21 percent in Denmark, 15.4 percent in Belgium and 8.2 percent in West German, and by a total of 0.2 percent across the community.

But the number of women out of work has risen by 5.2 percent in the EC as a whole, with a rise of 12.8 percent in Spain.

Of all EC countries, Italy fared the worst, registering an increase of 9.4 percent in male unemployment, and 8.6 percent in female.

The total unemployment rates by country in April 1986, March 1986 and April 1985 were as follows: West Germany, 8.3 percent, 9.1 percent, 8.6 percent; France 10.2, 10.3, 10.1; Italy 14, 14.1, 12.9; Netherlands 12.7, 13.2, 13; Belgium 11.9, 12.2, 13.2; Luxembourg 1.4, 1.5, 1.7; Britain 12.5, 12.5, 12.3; Ireland 17.9, 18.2, 17.5; Denmark 7.9, 8.8, 9.3; Greece 3, 3.4, 2.2.

The office does not publish percentage figures for Spain and Portugal because their unemployment rates are not based on the number of registered unemployed.

Separately, the EC trade commissioner, Willy de Clercq, said in Lugano, Switzerland, on Tuesday that some major developing nations oppose discussing trade in services in world trade negotiations expected to start later this year.

He urged them to overcome their objections, saying that opening such markets to foreign competition would be of worldwide benefit.

"Many developing countries remain dubious or oppose the inclusion of this issue in the new round of negotiations," he said at an economic symposium.

India, Brazil and Argentina were named as among those who most disagree with the views of the EC and the United States that services such as tourism, transport and insurance should be included for the first time in major trade talks.

Trade ministers from the 91-nation General Agreement on Tariffs and Trade, which regulates world trade, are due to hold a weeklong meeting in Punta del Este, Uruguay, in September to launch negotiations.

Mr. de Clercq said he hoped the Third World bloc could be won over and would agree to plans for the new trade round. Opening domestic markets to foreign competition in banking, finance, construction and engineering would benefit the economies of developing and developed countries alike, he said.

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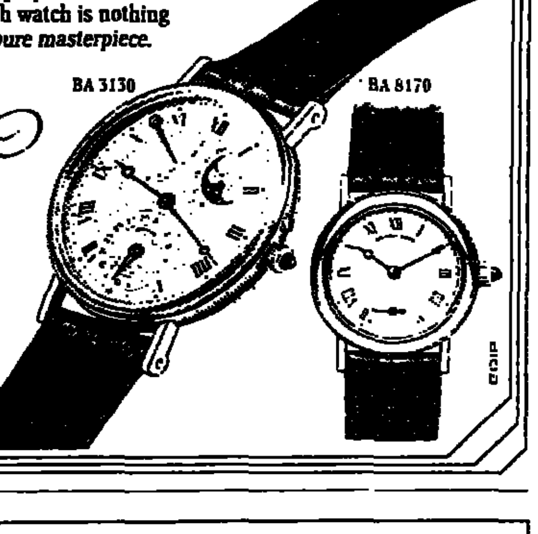

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Currency Rates

Cross Rates *May 27*

	$	£	D.M.	F.F.	It.L.	Gldr.	B.F.	S.F.	Yen
sterdam	2.5795	3.852	112.47 *	35.38 *	0.1641 *	—	5.509 *	135.80 *	151.80 y
ssels(a)	46.84	69.87	20.42	6.411	2.98 *	18.1538	—	24.65	27.56 *
nkfurt	2.294	3.421	—	31.39 *	1.4585 x	88.915 *	4.8985 *	120.75 *	1.349 *
don (b)	1.506	—	3.419	10.8975	2346.50	3.8458	69.90	2.8303	254.62
n	1,672.00	2,345.28	685.48	215.19	—	609.38	33.575	827.80	9.25
York(c)	—	0.6649 =	2.2755	7.247	1,559.00	2.5595	46.475	1.8815	168.90
is	7.3065	10.908	3.1853	—	4.648 x	2.8317	15.602 *	3.8461	4.2985 *
yo	169.78	253.62	74.32	23.34	10.86 *	66.07	363.77 *	89.74	—
ch	1.8897	2.8263	82.67 *	25.96 *	0.1206 *	73.49 *	4.0481 *	—	1.1125 *
U	0.9412	0.6304	2.1548	6.8636	1,477.75	2.4236	43.9984	1.7846	159.87
R	1.15983	0.7717	N.Q.	N.Q.	N.Q.	2.9686	N.Q.	2.186	195.411

...ings in London and Zurich, fixings in other European centers. New York rates at 4 P.M. ... Commercial franc (b) Amounts needed to buy one pound (c) Amounts needed to buy one ... (*) Units of 100 (x) Units of 1,000 (y) Units of 10,000 N.Q.: not quoted; N.A.: not available. ... To buy one pound: $U.S.1.504

...her Dollar Values

Currency per U.S.$		Currency per U.S.$		Currency per U.S.$		Currency per U.S.$	
..n. austral	0.8605	Fin. markka	5.255	Mex. peso	530.00	Soviet ruble	0.7115
..rst. $	1.3951	Greek drac.	142.00	Norw. krone	7.7075	Span. peseta	144.20
..r. schil.	15.99	Hong Kong $	7.8125	Phil. peso	20.25	Swed. krona	7.2725
..fin. fr.	46.88	Indian rupee	12.63	Port. escudo	147.00	Taiwan $	38.20
..il cruz.	13.74	Indo. rupiah	1,126.00	Saudi riyal	3.6505	Thai baht	26.385
..adian $	1.371	Irish £	0.7283	Sing. $	2.228	Turkish lira	663.25
..ese yuan	3.2015	Israeli shek.	1.4688	S. Afr. rand	2.2624	UAE dirham	3.673
..ish krone	8.446	Kuwaiti dinar	0.2959	S. Kor. won	884.60	Venez. boliv.	19.80
..pt. pound	1.36	Malay. ring.	2.636				

...rling: 1.1243 Irish £

...ces: Banque du Benelux (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); IMF (SDR); BAII (dinar, riyal, dirham); ...bank (ruble). Other data from Reuters and AP.

Interest Rates

Eurocurrency Deposits *May 27*

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	ECU	SDR
..nth	6 [illegible]-7 [illegible]	4 [illegible]-4 [illegible]	4 [illegible]-4 [illegible]	10-10[illegible]	7 [illegible]-7 [illegible]	7 [illegible]-7 [illegible]	6[illegible]
..nths	6 [illegible]-7 [illegible]	4½-4[illegible]	4 [illegible]-4 [illegible]	10-10[illegible]	7½-7[illegible]	7 [illegible]-7 [illegible]	6[illegible]
..nths	6 [illegible]-7 [illegible]	4 [illegible]-4 [illegible]	4 [illegible]-4 [illegible]	9[illegible]-10	7[illegible]-7[illegible]	7 [illegible]-7 [illegible]	6[illegible]
..nths	6 [illegible]-7 [illegible]	4 [illegible]-4 [illegible]	4[illegible]-4[illegible]	9[illegible]-9[illegible]	7[illegible]-7[illegible]	7 [illegible]-7 [illegible]	6[illegible]
..ar	7 [illegible]-7 [illegible]	4 [illegible]-4 [illegible]	4 [illegible]-4 [illegible]	9[illegible]-9[illegible]	7 [illegible]-7 [illegible]	7 [illegible]-7 [illegible]	6 [illegible]

...ces: Morgan Guaranty (dollar, DM, SF, Pound, FF); Lloyds Bank (ECU); Reuters (SDR). Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates *May 27*

	Close	Prev.
..ed States		
..ount Rate	6½	6½
..ral Funds	6 13/16	6 13/16
..ne Rate	8½	8½
..er Loan Rate	7¾	7¾
..Paper 30-179 days	6.60	6.70
..nth Treasury Bills	6.14	6.15
..nth Treasury Bills	6.20	6.22
..30-59 days	6.38	6.50
..60-89 days	6.35	6.50
..Germany		
..bard Rate	5.50	5.50
..night Rate	4.05	4.50
..Month Interbank	4.65	4.65
..nth Interbank	4.65	4.65
..nth Interbank	4.65	4.65
..ce		
..vention Rate	7¼	7¼
..Money	7[illegible]	7[illegible]
..month Interbank	7¼	7[illegible]
..nth Interbank	7 3/16	7[illegible]
..nth Interbank	7 1/16	6 15/16
..ain		
..Base Rate	10	10
..Money	10	10
..y Treasury Bill	9 17/32	9 9/16
..nth Interbank	9 9/16	9[illegible]
..n		
..unt Rate	3½	3½
..Money	4 3/16	4[illegible]
..y Interbank	4[illegible]	4[illegible]

...ces: Reuters, Commerzbank, Crédit ...

Asian Dollar Deposits *May 27*

1 month	6 [illegible] - 7 [illegible]
2 months	6 [illegible] - 7 [illegible]
3 months	6 [illegible] - 7 [illegible]
6 months	6 [illegible] - 7 [illegible]
1 year	7 - 7[illegible]

Source: Reuters.

U.S. Money Market Funds *May 27*

Merrill Lynch Ready Assets
30 day average yield: 5.80
Telerate Interest Rate Index: 6.674

Source: Merrill Lynch, Telerate.

Gold

May 27

	A.M.	P.M.	Ch'ge
Hong Kong	341.80	341.35	— 0.60
Luxembourg	341.25	—	— 0.65
Paris (12.5 kilo)	343.37	342.68	— 2.95
Zurich	340.80	341.70	— 0.30
London	341.15	341.50	+ 0.40
New York	—	341.90	— 1.50

Luxembourg, Paris and London official fixings; Hong Kong and Zurich opening and closing prices; New York Comex current contract. All prices in U.S. $ per ounce.

Source: Reuters.

U.S. Machine-Tool Orders Dropped by 9.9% in April

By Jonathan P. Hicks

New York Times Service

NEW YORK — New orders for U.S.-made machine tools dropped 9.9 percent in April from March's level, the National Machine Tool Builders' Association reported Tuesday.

Industry analysts attributed the decline to sluggish industrial growth and uncertainty about how proposed tax legislation would affect capital spending.

The trade association said that new orders for machine tools fell to $193.5 million in April, from $214.6 million in March.

It said that new orders in April rose 5.4 percent compared with the same month last year. It was the first time in 10 months that orders had increased from the comparable period in the preceding year. But figures for the first four months of the year as a whole showed an 11.2-percent drop.

James A. Gray, president of the association, said that passage of tax legislation was central to reviving machine-tool orders.

He said that then "manufacturers finally will have the information they need to plan their investments."

Mr. Gray said that the industry had been heartened by President Ronald Reagan's decision last week to order his trade negotiators to begin talks with Japan, Taiwan, West Germany and Switzerland on so-called voluntary export restraint pacts on machine tools, under the threat of unilaterally imposed curbs if the accords were not satisfactorily concluded.

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	Vol.	High	Low	Last	Chg.
Sperry	29054	74¾	73⅝	74¼	+1⅛
TexUtil	23420	32⅞	32⅜	32¾	+ ⅜
FedNM	17306	36¼	35⅛	36¼	+1½
AT&T	14133	25¼	24½	25	+ ⅜
IBM	13657	147	143⅞	147	+1⅛
USSteel	12511	20¾	20½	20½	— ⅛
NL Ind	10126	13⅝	12⅞	13⅜	+ ¼
AmExp	9714	61⅞	60½	61⅞	+1⅞
NoestUt	9028	19⅞	19⅝	19⅞	+ ⅛
BellSou	8460	55⅜	54⅞	55¼	+ ⅜
BaxtTr	8134	20⅞	20⅛	20¾	+ ⅝
EKodk	7800	59	57⅞	59	+ ⅞
Tidwtr	7774	7	6⅝	7	+ ½
RJR Nb	7270	46⅞	45⅝	46⅞	+1⅜
K mart	7182	52	51⅜	51¾	— ⅜

Dow Jones Averages

	Open	High	Low	Last	Chg.
Indus	1823.16	1856.56	1823.48	1853.03	+ 29.74
Trans	801.89	812.19	795.88	809.13	+ 11.17
Util	184.56	187.04	183.37	186.47	+ 2.12
Comp	709.79	718.94	705.50	717.09	+ 10.38

NYSE Index

	High	Low	Close	Ch'ge
Composite	140.71	139.22	140.71	+1.83
Industrials	162.49	160.75	162.49	+2.12
Transp.	124.86	123.88	124.86	+1.35
Utilities	69.81	69.16	69.81	+0.76
Finance	156.37	154.50	156.37	+2.53

Tuesday's NYSE Closing

Vol. at 4 P.M.	121,160,000
Prev. 4 P.M. vol.	130,160,000
Prev consolidated close	154,961,000

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Via The Associated Press

AMEX Diaries

	Close	Prev.
Advanced	339	339
Declined	239	241
Unchanged	254	214
Total Issues	822	794
New Highs	40	44
New Lows	10	6
Volume up	5,466,180	
Volume down	4,318,810	

NASDAQ Index

	Close	Ch'ge	Week Ago	Year Ago
Composite	394.89	+ 2.98	395.28	290.83
Industrials	401.75	+ 2.19	392.80	302.66
Finance	522.30	+ 3.89	511.08	361.89
Insurance	452.64	+ 7.61	434.26	347.07
Utilities	333.05	+ 3.00	322.05	274.17
Banks	425.88	+ 7.06	410.43	276.44
Transp.	360.03	+ 7.18	349.74	261.45

AMEX Most Actives

	Vol.	High	Low	Last	Chg.
Wickes	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
UnivRs	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
FAusP	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
LorTel n	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
BAT	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
WangB	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
AE&FF wt	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
HmHar	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Enavco	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
PSEGIV	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ultmte	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ICH s	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CnStor s	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
KeyPh	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TexAir	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

NYSE Diaries

	Close	Prev.
Advanced	1197	938
Declined	486	611
Unchanged	301	405
Total Issues	1984	1954
New Highs	160	118
New Lows	5	7
Volume up	93,768,910	
Volume down	18,874,060	

Odd-Lot Trading in N.Y.

	Buy	Sales	*Sh'rt
May 23	250,311	441,827	27,620
May 22	317,956	443,910	13,203
May 21	246,234	435,469	49,293
May 20	253,496	486,907	75,818
May 19	217,216	452,625	77,630

*Included in the sales figures

Dow Jones Bond Averages

	Close	Ch'ge
Bonds	90.59	Unch.
Utilities	90.60	—0.03
Industrials	90.58	+0.02

Standard & Poor's Index

	High	Low	Close	Ch'ge
Industrials	273.27	269.49	273.27	+3.78
Transp.	206.67	202.78	206.35	+2.50
Utilities	104.74	103.44	104.80	+1.26
Finance	30.07	29.54	30.07	+0.53
Composite	244.76	241.35	244.75	+3.40

AMEX Sales

4 P.M. volume	12,160,000
Prev. 4 P.M. volume	13,710,000
Prev. cons. volume	13,710,000

AMEX Stock Index

High	Low	Close	Ch'ge
[illegible]	[illegible]	[illegible]	[illegible]

NYSE Soars; Dow Near Record

United Press International

NEW YORK — Prices on the New York Stock Exchange soared Tuesday, fueled by a rebounding bond market and weaker oil prices. The Dow Jones industrial average closed just shy of its record high. Trading was moderate.

The Dow shot up 29.74 points, finishing at 1,853.03. Its highest close was 1,855.90 on April 21.

The Dow showed double-digit gains for most of the session but doubled its advance in the last hour of trading.

While the Dow did not set a closing record, several other broad market indicators did. Standard & Poor's 500-stock index rose 3.40, to 244.75, surpassing its old high of 244.74, set April 21. The American Stock Exchange index and the NASDAQ over-the-counter composite index also moved to a record levels.

The New York Stock Exchange composite index rose 1.83, to 140.71, below its record close of 141.07. The price of an average share jumped 54 cents.

Advances outpaced declines 1,188-482 among the 1,974 issues traded.

On the Big Board, 121.2 million shares changed hands, compared with 130.2 million on Friday before the Memorial Day holiday.

Analysts said a bond market rebound extended from last week pushed stock prices higher as investors in both debt and equity markets anticipated lower interest rates.

"The bond market's recovery from a somewhat oversold position seemed to be the trigger for last week's gains and continued to be so Tuesday," said Donald Kimsey of Dean Witter Reynolds.

Weaker oil prices were a positive factor, analysts said. Crude oil futures prices fell to just above $15 a barrel on the New York Mercantile Exchange on Tuesday.

Mr. Kimsey said the market needed to move above its old highs "to break out of its malaise."

Sentiment that interest rates are heading lower is growing stronger, said Harry Villec of Sutro & Co.

Mr. Villec said the Dow would set a new high shortly and hit 2,000 "probably this summer."

Sperry was the most active NYSE-listed issue, rising 1⅛ to 74⅛. Its board approved Burroughs offer to acquire Sperry for $76.50 a share. Burroughs retreated ⅜ to 59½.

Texas Utilities followed, adding ⅜ to 32¾. Federal National Mortgage Association was third, climbing 1½ to 36¼. Among other interest-rate sensitive issues, Northeast Utilities rose ⅛ to 19⅞. Commonwealth Edison added 1 to 31. BellSouth rose ⅜ to 55¼. Dreyfus Corp. jumped 4⅛ to 97⅞ and American International Group jumped 2½ to 133⅜.

IBM climbed 1⅛ to finish at 145 after authorizing the purchase of 10 million shares of its capital stock.

Elsewhere in the high technology sector, Cray Research advanced 3 to 89. Digital Equipment eased ⅜ to 87⅜. In the semiconductor group, Motorola edged up ⅛ to 45⅞. Texas Instruments climbed 1½ to 134 and National Semiconductor rose ¼ to 13¾.

12 Month High	12 Month Low	Stock	Div.	Yld.	PE	Sls. 100s	High	Low	Close Quot.	Ch'ge
[illegible]										

NOVA

Report for the Year Ended December 31, 1985

NOVA, AN ALBERTA CORPORATION is a major Canadian energy company headquartered in Calgary, Alberta.

The Company was created in 1954 to build, own and operate a province-wide natural gas transportation system. In recent years, NOVA has expanded its business base through development of additional energy-related activities.

Current areas of activity comprise gas transportation and marketing, petroleum, petrochemicals, manufacturing, consulting and research. Although most operations are located in Canada, products and services are marketed worldwide.

NOVA is a public, shareholder-owned company trading on the Toronto, Montreal and Alberta stock exchanges. Total consolidated assets are approximately $6.4 billion, and the NOVA companies employ about 7,800 people.

Our annual and interim reports, as well as other corporate literature, may be obtained by writing to the head office address below. Financial reports are also available from the Company's Paying Agent: Bank of Montreal, 9 Queen Victoria Street, London, England EC4N 4XN.

CONDENSED CONSOLIDATED BALANCE SHEET
(audited; thousands of Canadian dollars)

	As at December 31 1985	1984
Assets:		
Current assets	$1,114,015	$1,010,862
Long term investments	171,738	103,019
Plant, property and equipment (net)	4,863,581	5,190,296
Other assets	202,730	123,712
	$6,352,064	$6,427,889
Liabilities:		
Current liabilities	$1,088,501	$ 972,338
Long term debt	2,738,979	2,874,278
Deferred income taxes	425,983	496,802
Deferred gain	62,359	—
Minority interest in subsidiary companies	611,015	560,954
Shareholders' equity:		
Preferred shareholders	861,957	780,594
Common shareholders	563,270	742,923
	$6,352,064	$6,427,889

CONDENSED CONSOLIDATED STATEMENT OF INCOME
(audited; thousands of Canadian dollars except for share data)

	For the Year Ended December 31 1985	1984
Operating revenue	$3,347,236	$3,793,533
Net operating income	$ 673,572	$ 676,988
Equity in losses of affiliated companies	(7,235)	(6,367)
Allowance for funds used during construction	3,171	31,800
Other income (expenses)	1,921	1,551
Interest expense (net)	(315,915)	(341,765)
Income before income taxes, minority interest and extraordinary items	355,514	362,207
Income taxes	(155,892)	(150,200)
Minority interest	(65,511)	(56,739)
Income before extraordinary items	134,111	155,268
Extraordinary items	(216,522)*	48,082
Net income (loss)	$ (82,411)	$ 203,350
Earnings (loss) per common share		
Before extraordinary items		
Basic	$ 0.38	$ 0.63
Fully diluted	$ 0.38	$ 0.60
After extraordinary items		
Basic	$ (1.31)	$ 1.02
Fully diluted	$ (1.31)	$ 0.77

*In 1985, the Company reported an extraordinary loss of $216.5 million which comprised a non-cash deemed accounting loss of $58.9 million relating to the dilution of its ownership in Husky Oil Ltd. (from approximately 67% to 57%) as a result of the conversion to common shares of Husky's 13% convertible preferred shares; a write-down of $157.4 million (net of income taxes) in the carrying value of its linear low-density polyethylene plant; a write-down of $10.5 million on the value of an engineering division; and a gain of $10.3 million on the sale of a polyvinyl chloride plant.

NOVA, AN ALBERTA CORPORATION P.O. Box 2535, Stn M, Calgary, Alberta, Canada T2P 2N6

(Continued on next left-hand page)

هكذا امنة للأصل

BUSINESS ROUNDUP

Mannesmann Net Up 36% in 1985

Reuters

DUSSELDORF — Mannesmann AG, the diversified West German pipe-making and engineering group, said Tuesday that world group net profit rose 36 percent in 1985, to 255.9 million Deutsche marks ($112.2 million at current rates), from 188.5 million DM in 1984.

Turnover rose 15 percent, to 18.17 billion DM in 1985, from 15.77 billion.

The management board chairman, Werner Dieter, said he expects 1986 results to be satisfactory, despite costs arising from a major rationalization of pipe-making operations.

He said that first-quarter profit matched year-ago levels, even though world group turnover fell 5 percent, to 3.35 billion DM, because of the stronger mark. He did not give the profit figure.

Mr. Dieter said the group's first quarter new orders were down 17 percent down from last year, also because of currency depreciations against the mark, especially of the dollar and Brazilian cruzeiro.

Mannesmann's pipe-making subsidiary, Mannesmannröhren-Werke AG, suffered a 30-percent fall in orders in the first quarter compared with the same 1985 period; when it booked major orders from China and the Soviet Union.

Mr. Dieter said the fall in oil prices had depressed foreign demand for pipelines.

Despite the drop, pipe-making operations were profitable in the first quarter, he said, because the division had been processing older orders with better profit margins.

But he added it was now taking on orders that did not cover costs in order to maintain employment.

Mannesmann has already said the division's turnover would fall from last year's 4.8 billion DM and have a difficult year. It recently announced it would cut 6,500 jobs out of 25,000 by the end of 1987.

Mannesmannröhren-Werke's return to a balanced result after two years of losses was a major factor behind the increase in 1985 net profits, together with improved results from engineering and electronics and in Brazil, Mr. Dieter said.

As reported earlier, Mannesmann increased its dividend to 6 DM per nominal 50-mark share from 4 DM paid for 1984 and 1983.

Mr. Dieter said that while pipemaking operations would remain a core activity, the group was continuing to look for high-technology purchases.

He said Mannesmann wanted to strengthen its position in the United States. "We are armed and flexible enough to take on big things," he said.

He indicated that the group was looking at acquisitions in the fields of information technology, control and handling systems, hydraulics and systems technology.

Trading Halted In Fermenta

Reuters

STOCKHOLM — Trading of shares in Fermenta AB, the biotechnology company, has been suspended on the Stockholm Stock Exchange, the exchange said Tuesday.

It said Fermenta would make a statement after a meeting of the exchange's board on Thursday. The exchange did not say whether the company had asked that trading be halted.

Press reports have said the exchange might decide to delist the company because of an alleged failure to inform the public of earnings forecasts in 1985 and 1986. Fermenta shares ended at 171 kronor ($23.51) Monday. The price dropped as low as 144 kronor in February, at a time when trading was twice suspended during an exchange inquiry into swings in the price.

Preussag Swung to 13.1-Million DM Loss in '85

Reuters

HANNOVER, West Germany — Preussag AG, the metals and energy group, reported Tuesday a net loss for the world group of 13.1 million Deutsche marks ($5.7 million at current rates) in 1985, compared with a net profit of 154.5 million DM a year earlier.

The group said profits were hit by weak metal prices, sluggish metal trading and the tin crisis.

During the year, world group sales fell 13 percent, to 11.97 billion DM, from 13.73 billion DM previously.

Preussag said net for the domestic group fell 36 percent from a year earlier, to 77.9 million DM from 122.2 million DM.

Sales for the domestic group amounted to 4.37 billion DM, down 6 percent from 4.70 billion DM previously.

Parent company net fell 37 percent, to 65 million DM from 103.0 million DM, on an 8-percent decline in sales, to 2.56 billion DM from 2.79 billion DM in 1984.

As previously announced, Preussag lowered the dividend to 8 DM to 9 DM.

Preussag said it expects results to come under considerable pressure in 1986 after the weaker 1985 performance.

The group barely broke even in the first quarter of this year, according to the managing board chairman, Günther Sassmannshausen. He added this was far below expectations, but declined to give figures or predict full-year results.

However, he said Preussag's domestic group sales in the first quarter rose 3 percent, to 1.16 billion DM, from 1.12 billion DM a year earlier.

Mr. Sassmannshausen said that the metals division — which slipped into loss in 1985 after making a profit in 1984 for the first time in several years — was unlikely to break even this year.

Preussag had hoped metal prices would recover in 1986 but prices weakened further in the first three months, he said.

However, Preussag has been able to raise its zinc producer price three times since the start of the second quarter, and Mr. Sassmannshausen said he hoped zinc prices would now stabilize.

Preussag's Amalgamated Metal Corp. group of companies broke even in the first quarter of 1986 after making large losses in 1985 due mainly to the tin crisis.

Mr. Sassmannshausen said the difference between the world group's net loss in 1985 and the net profit reported in 1984 largely reflected losses at Amalgamated.

The tin crisis alone accounted for 100 million DM in losses, he added. Amalgamated lost just under £18 million ($26.8 million) on tin contracts concluded with the International Tin Council and a further £10 million with the slide in the value of tin stocks and a drop in profits at its tin smelters.

Mr. Sassmannshausen said the problems at the metals division and at Amalgamated had outweighed improvements at Preussag's smaller divisions.

We are pleased to announce that the following have joined our Research Group

William A. Block — Consumer Growth Stocks
James A. Hartke — Technology/Special Situations

The team comprises in addition

Jan I. Pilkington-Miksa — Director of Research
Alexander Alma — Applied Technology/Communications
Alfred C. Nelson, C.F.A. — Automotive Industry
June D. Page — Foods/Restaurants
Thomas P. Snow — Health Care
Donald A. Zwyer, C.F.A. — Special Situations

McKinley Allsopp, Inc.

Swiss Banks' Balance Sheets Affected by Dollar's Decline

Reuters

ZURICH — The decline of the dollar slowed growth in Swiss banks' balance sheets in the first quarter of 1986, the national bank said Tuesday.

The balance sheet total of 71 banks, representing about three quarters of all banks and finance companies subject to Swiss banking laws, stood at 593.61 billion francs ($314 billion) at the end of March. That was 5.6 percent above the level a year earlier.

Assets had grown 7.2 percent in the year to the end of 1985, the national bank said. In a preview of its latest monthly report, it noted that if the dollar-franc exchange rate had remained unchanged, growth would have been 13 percent in the first quarter of 1986.

The national bank said domestic credits to entities other than banks in the first quarter rose 10 percent against the year-earlier period to stand at 264.5 billion francs, after there had been an unspecified slowing of growth in the fourth quarter of 1985.

Foreign credits outstanding at the end of March stood at 61.1 billion francs, 4.9 percent less than at the end of March 1985.

Foreign credits had increased by 1.1 percent in the last quarter of 1985, the national bank said. It attributed the slowdown partly to the dollar's decline.

Bell Run at BHP Appears to Fail

Compiled by Our Staff From Dispatches

MELBOURNE, Australia — Bell Resources Ltd. said it would not extend its partial offer for Broken Hill Pty. beyond its announced close Tuesday night.

Share analysts said they did not expect Bell, which had held about 17 percent of BHP, to reach the 40 percent to 45 percent that it needed for control.

Bell Resources, headed by Robert Holmes à Court, was bombarded with last-minute acceptances of the offer, brokers said. Nonetheless, they said that by the close Bell had control of 37 percent, at most, of the issued capital. *(Reuters, AFP).*

COMPANY NOTES

Anderson Clayton & Co. said it was being sued by American Continental Corp., the purchaser of its American Founders Life Insurance Co. subsidiary. It said American Continental was seeking to reduce by $3.4 million the price of $58.6 million for which it bought the unit in January.

Bethlehem Steel Corp. has agreed with leaders of the United Steelworkers of America on a tentative contract that would cut wages and benefits of 30,000 workers by $1.96 an hour. Union members will now vote on the three-year pact, which includes a stock- and profit-sharing plan.

Chase Manhattan Bank said it had introduced a service in Hong Kong under which customers who deposit a minimum of $25,000 will be assigned a personal financial consultant.

General Motors Corp.'s $500-million, five-year capital spending program for its Brazilian operations has been slowed because of government restrictions on wages and prices, according to Clifford Vaughan, managing director of General Motors do Brazil.

Jebsen Line of Norway has opened a direct monthly service to Fiji from various Asian ports, the line's agents in Fiji said.

Ladbroke Group PLC will make an agreed bid for Gable House Properties PLC with an offer that values the company at around £21.9 million ($32.6 million), a joint statement said.

Peninsular & Oriental Steam Navigation Co.'s proposed acquisition of Stock Conversion PLC will not be referred to the Monopolies and Mergers Commission, Britain's Department of Trade said. The offer values Stock Conversion at £402 million ($599 million).

Swire Properties Ltd., a subsidiary of Swire Pacific Ltd., paid just over 1 billion Hong Kong dollars ($128 million) in a government land auction for the Victoria Barracks II site near Hong Kong's central business district.

Paris Shares Rally After 6.5% Plunge

Compiled by Our Staff From Dispatches

PARIS — French shares rallied in lively trading Tuesday following a dramatic 6.5-percent selloff on Monday. The Paris Bourse index had fallen 12 percent over the past week, dealers said.

Share prices closed up 2 percent Tuesday, although the index had been up 3.5 percent in the morning session, dealers said.

Tuesday's rally followed reassuring comments by Finance Minister Édouard Balladur and the chairman of the stockbrokers' association, Xavier Dupont. Both expressed confidence in the market and urged investors not to succumb to panic selling.

On Monday, more than 60 stocks dropped by the maximum allowed under Bourse rules in a selloff triggered by disappointment over recent poor trade and unemployment figures.

Mr. Balladur told the National Assembly Monday evening that the Paris Bourse had risen very strongly in recent months, and that "from time to time, people have to regain their breath."

It was a view shared by market analysts in Paris. One commented that "the market was just getting overheated."

Finance Ministry officials pointed out that the Paris Bourse index, which a week ago was up about 75 percent from May 1985, was still 50 percent after the selloff.

This compares with a 38-percent rise on Wall Street and a 50-percent average rise on West German stock markets over the same period.

Recent pessimistic statements by ministers have focused on France's lack of competitiveness abroad, notably the slide in the trade surplus in manufactured goods to 3 billion francs ($180 million) in April from a monthly average of 6.9 billion francs last year. *(Reuters, AFP)*

IBM to Buy Back 10 Million Shares at Market Price

United Press International

NEW YORK — International Business Machines Corp. said Tuesday that its board has authorized the purchase from time to time of up to 10 million shares of IBM's capital stock in blocks of at least 5,000 shares.

The company said the purchases will be at prices not higher than the market price at the time of each purchase.

At IBM's closing price of $149.50 Tuesday on the New York Stock Exchange, the full purchase would be worth an indicated $1.46 billion.

IBM said it has not engaged any broker or dealer to act for it in connection with the repurchase.

IBM said on Jan. 2, 1984, that it decided to purchase its common stock from time to time to be used for employee and stockholder stock

NOTICE OF CALL FOR TENDERS
CENTRAL AFRICAN REPUBLIC
Notice of international call for tenders for the execution of the Ouaka sugar project.

The SOGESCA (Société de gestion de sucreries centrafricaines - Central African Sugar Industries Management Company) is now launching, for international competition, a notice of call for tenders for the supplying of agricultural machines and equipments. The call for tenders dossier comprises:

Lot no. 1	Agricultural tractors.
Lot no. 2	Public works equipments.
Lot no. 3	Agricultural equipments for working the soil and tending the crops.
Lot no. 4	Transport equipments - interchangeable trucks system.
Lot no. 5	Light vehicles.

As these various equipments are being financed by the Saudian Development Fund, the suppliers will not be boycotted by the Arab League or Saudi Arabian Kingdom laws in force.

The call for tenders dossiers will be available as from 19th June 1986 and will be sent registered, when so requested, by SOGESCA against remittance of a sum of CFA Fr. 200,000, or can as from that date be withdrawn, against payment of a sum of CFA Fr. 150,000, at one of the following addresses:

SOGESCA: S/C Monsieur le président de la Commission nationale de réalisation du projet sucrier de la Ouaka (RCA). Avenue du Président David Dacko, BP 1370 Bangui RCA. Telex: 5329 RC - 5217 RC - 5297 RC

AGROTECHNIP: 170 Place Henri-Regnault, 92400 Courbevoie (France). Phone: (1) 47.78.21.21. Telex: A 62839 F.

The deadline for the filing of tenders is fixed at 9th August 1986.

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Tuesday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

(Continued)

J

12 Month High	Low	Stock	Div.	Yld.	PE	Sls. 100s	High	Low	Close Quot.	Ch'ge
41½	27¾	JWT	1.12	2.8	17	98	39½	39¼	39⅝	+ ⅜
47⅞	30	JRiver	.56	1.3	15	3493	44⅛	43⅝	44	+ ⅝
28⅞	17¼	JamswY	.12	.5	19	828	25½	24⅞	25	— ¼
18⅜	10⅝	JapnF	1.73e10.0			242	17⅜	17⅛	17¼	— ⅛
56	39¼	JeffPil	1.48	3.2	13	227	52⅛	52	52⅛	+ ⅝
90½	58	JerC pf	7.88	9.4		250z	84	83	84	
24¼	17	JerC pf	2.18	9.7		26	22⅝	22⅜	22⅜	+ ¼
23⅝	9⅜	Jewlcr			17	116	23	22⅝	22⅝	— ⅛
69⅞	42¼	JohnJn	1.40	2.0	42	3728	70¼	69⅜	70⅛	+ ⅜
67⅞	40	JohnCn	2.00	3.2	14	1882	63⅞	61⅞	63⅝	+1⅞
69¾	50¾	JhnC pf	4.25	6.3		24	68	67⅛	68	+1
27½	22¼	Jorgen	1.00	3.9	20	21	25⅜	25	25⅜	+ ⅛
31⅞	22½	Jostens	.88	2.8	17	155	32½	31¾	32	+ ⅛
27⅞	21¾	JoyMfg	1.40	5.7	28	411	25	24⅝	24¾	— ¼

K

12 Month High	Low	Stock	Div.	Yld.	PE	Sls. 100s	High	Low	Close Quot.	Ch'ge
13¾	7⅛	KDI	.24	1.7	13	302	14	13⅝	13¾	
23⅞	16¼	KLM	.51e	2.6	11	981	19⅝	19⅜	19⅜	— ⅜
53⅛	30⅜	K mart	1.48	2.9	26	7182	52	51⅛	51⅛	— ⅝
24¼	13½	KN Enn	1.48	7.0	8	69	21	20⅞	21	+ ⅛
18½	13¼	KaisCe	.20	1.4	9	80	13⅝	13½	13⅝	— ⅛
18⅝	14¼	KaiC pf	1.37	8.6		10	16	16	16	
13	9⅛	KanbE n	2.40	22.9		168	10½	10⅜	10½	+ ⅛
29½	18	KCtyPL	2.00	8.2	6	1132	24⅝	24	24½	— ⅜
64⅞	47	KCSou	1.08	1.8	19	92	61	60	60⅞	+1
12⅛	9⅛	KanGE	1.18	6.5	11	661	18⅛	18⅛	18⅛	+ ⅛
50⅝	33⅞	KanPLt	3.16	6.5	10	1747x	49	48⅜	48⅝	— ⅝
24	8¼	KaufB s	.33	1.4	14	937	24⅜	23⅞	24	+ ⅛
48⅞	25⅛	Kellog s	1.00	2.0	21	1213	49	47⅛	48⅞	+1⅛
38½	26	KyUtil	2.52	6.8	13	2347	37¼	36⅞	37⅛	
36	25	KerrMc	1.10	3.6	12	1209	30⅛	29⅞	30⅛	+ ⅛
39⅝	30⅝	Kidde	1.20	3.5	11	119	34½	34	34	— ½
89	55½	KimbCl	2.48	2.9	15	599	84⅞	83	84⅞	+2⅛
54⅝	33⅛	KnghtRd	.88	1.6	24	629	54⅝	53⅝	54⅝	+ ⅝
30¾	25¼	Koger	2.50	9.1	49	160	27⅝	27¼	27⅝	— ⅛
30⅝	15⅝	Kopers	.80	2.7		4002	29½	28	29⅝	+1⅝
45	33½	Kopr pf	4.00	9.5		208z	42	40½	42	+1
53¼	41¼	Kroger	2.00	3.7	13	1715	53⅝	52⅝	53⅝	+1⅛
24⅝	14¼	Kuhlm	.40	2.2	17	78	18⅝	18	18⅛	+ ⅛
56¼	28½	Kyocer	.40e	.8		182	50¾	49⅛	50⅛	—2⅝
27	17¼	Kysor	.88	3.4	9	38	26	25¾	25⅞	+ ¼

L

12 Month High	Low	Stock	Div.	Yld.	PE	Sls. 100s	High	Low	Close Quot.	Ch'ge
29⅝	12½	LAC n	.30	2.0		60	14⅝	14⅜	14⅝	
34⅝	27¼	LN Hg	2.98e	9.9	10	93	30⅝	29	30⅛	+1⅛
15¾	7⅛	LLE Ry	2.35e24.1			1335	10⅛	9¾	9¾	—1⅛
39⅝	21½	LaclGs	1.90	5.2	9	63	36⅝	36⅛	36⅛	— ⅛
62⅜	45⅜	LearSg	2.00	3.6	13	29	56⅛	55⅝	56⅛	— ⅛
76⅛	40½	Lilly s	1.80	2.5	19	3028	73⅝	70⅝	73	+2⅝
60⅛	43¼	Lockhd	1.00	1.8	9	2092	54⅝	53½	54¼	+ ⅛
72⅝	41¾	Loews	1.00a	1.5	9	836	66⅛	65⅛	66⅛	+1⅛
41½	23¾	Lowes	.40	1.0	24	2311	40⅛	39⅛	39⅜	—1
16½	11⅛	Lukens	.48	3.4		24	14	13⅝	14	

M

12 Month High	Low	Stock	Div.	Yld.	PE	Sls. 100s	High	Low	Close Quot.	Ch'ge
22½	12½	MACOM	.24	1.4		1117	17⅛	16⅝	17⅛	+ ⅛
56½	34⅝	MCA s	.48	1.4	22	4295	49⅛	48⅝	49	+ ⅛
23⅝	15⅛	MCorp	1.40	7.4		185	19⅛	18⅝	18⅞	— ⅛
41¼	36½	MCor pf	3.50	8.8		16	40½	40	40	— ⅛
22½	10	MDC	.36	1.8	11	369	20	19½	20	+ ⅛
47	32	MDU	2.72	5.8	13	53	47	46½	47	+ ½
42½	35⅝	MEI	.50	1.3	19	333	37⅝	37⅛	37⅝	

[illegible]

NYSE Highs-Lows

NEW HIGHS

AbbtLb wi, AlexAlex, AmFamily s, AmrepCp s, BalderElec, BardCR, BellHowell, Borman, ChrisCrft, ConnNG, Crown Crk, DuqLt 210pr, Energen, Fieldcrst M, Gannett, GenHost s, GtNorNek, Interco Inc, IntrpubGp, KDI Cp, Kellogg s, Macmilan, ManufH adj p, Merck s, Mont Pow, NordRscs, OhEd 390pf, Pepsico wi, Panderosa, RalsinPur, RussToas, SallieMae, ShellerGlob, StdBrPnt, SuprMkt, ThriftyCp, USG s, UnivFds, WalMart s, WaynGas pf, Adam Millis, AlldStrs s, Ameritech, AutoData, BallCp s, Bard wi, BellHwl pfA, Brunswck s, CinnBell s, Crane s, DeluxCh, Dynalect Cp, FedMogul, FstChi Cp, Gapinc s, Geninst, Guilford, Interco pf, JohnsJn, KaufBroad s, KrogerCo, MacyRH, Marriott, Minn PwLt, MorganJP, NoAmCoal, OverTr s, PerryDrug s, PortG 260pf, RiteAid, Russell, SaraLee, SnapOnTool, StPacCp s, Syntex s, ToysRUs, UniFirst, UpjohnCo s, Walgreen, Whirlpool

NEW LOWS 5

ICM Prop, StorageEqt, SaraLee pf, Sonat

Company Results

Revenue and profits or losses, in millions, are in local currencies unless otherwise indicated.

Canada

Bank of Nova Scotia

	1986	1985
2nd Quar.		
Profits	79.97	66.64
Per Share	0.47	0.41
1st Half	1986	1985
Profit	153.80	141.64
Per Share	0.90	0.86

Smithfield Foods

[illegible]

Japan

Mitsubishi Chemical

Year	1985	1984
Revenue	1.24 T	1.22 T
Profits	7,540.	23,590.
Per Share	6.47	20.83

T: trillion.

Raynord

[illegible]

South Africa

Barlow Rand

1st Half	1986	1985
Revenue	7,180.	6,020.
Profit	165.9	121.0
Per Share	0.925	0.677

Westvaco

[illegible]

United States

Lowe's Companies

1st Quar.	1986	1985
Revenue	534.0	452.3
Net Inc.	11.4	11.9
Per Share	0.31	0.33

West Germany

Mannesmann

[illegible]

Australia's High Inflation Rate Seen Declining to 7.9% in 1986

Reuters

MELBOURNE — Australia's inflation rate is on its way down, but its 1986 rate still is likely to be more than triple the average for the major Western economies, the Australian Chamber of Manufacturers and the Melbourne Institute of Economic and Industry Research said Tuesday.

Prices rose at an annual rate of 9.2 percent in the first quarter, but an economic survey released by the groups predicted the inflation rate will fall to 6.5 percent by the first half of 1987 if the Australian dollar remains stable. They predicted a 1986 inflation rate of 7.9 percent — more than three times the 2.2 percent average rate expected in the Organization for Economic Cooperation and Development.

ADVERTISEMENT

INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 27 MAY 1986

Net asset value quotations are supplied by the Funds listed with the exception of some quotes based on issue price. The marginal symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (b) - bi-monthly; (r) - regularly; (i) - irregularly.

AL MAL MANAGEMENT
-(w) Al-Mal Trust, S.A. $ 228.90
BANK JULIUS BAER & CO. Ltd.
-(d) Baerbond SF 938.50
-(d) Conbar SF 1478.00
-(d) Equibaer America $ 1336.00
-(d) Equibaer Europe SF 1620.00
-(d) Equibaer Pacific SF 1339.00
-(d) Grobar SF 1224.00
-(d) Stockbar SF 1905.00
BAII MULTICURRENCY
-(r) Multicurrency US$ $ 1078.00
-(r) Multicurrency Ecu ECU 1052.87
-(r) Multicurrency Yen YEN 196,607.00
BNP INTERFUNDS
-(w) Interbond Fund $ 150.92*
-(w) Intercurrency US$ $ 10.54
-(w) Intercurrency DM DM 30.41
-(w) Intercurrency Sterling £ 10.48
-(w) Interequity Pacific Offer $ 14.91
-(w) Interequity N. Amer. Offer $ 11.35
BANQUE INDOSUEZ
-(d) Asian Growth Fund $ 15.81
-(w) Diverbond SF 86.25
-(w) FIF-America $ 20.33
-(w) FIF-Europe $ 23.72
-(d) FIF-International $ 14.57
-(w) FIF-Pacific $ 27.52
-(d) Indosuez Multibonds A $ 125.92
-(d) Indosuez Multibonds B $ 219.97
-(d) Indosuez USD (M.M.F) $ 1075.58
BRITANNIA, POB 271, St. Helier, Jersey
-(w) Brit. Dollar Income $ 0.924
-(w) Brit. $ Manag. Curr. $ 11.78
...
CAPITAL INTERNATIONAL
-(w) Capital Int'l Fund $ 58.16
-(w) Capital Italia SA $ 33.32
CITICORP INVESTMENT BANK (Lux.)
POB 1373 Luxembourg Tel. 477.95.71
(d) Citinvest Ecu ECU 1087.20
(d) Citinvest Liquidity $ 1048.52
CREDIT SUISSE (ISSUE PRICES)
-(d) Actions Suisses SF 513.50
...
DREXEL BURNHAM LAMBERT INC
Winchester House, 77 London Wall
LONDON EC2 (01 920 9797)
-(w) Finsbury Group Ltd. $ 147.80
-(m) Winchester Diversified $ 25.65*
-(m) Winchester Financial Ltd. $ 10.56
-(m) Winchester Frontier $ 146.47
-(w) Winchester Holdings FF 112.91
-(m) Winchester Recovery Ltd. $ 109.31
-(w) Worldwide Securities $ 65.93
-(w) Worldwide Special $ 2402.10
DIT INVESTMENT FFM
-+(d) Concentra DM 36.71
-+(d) Int'l Rentenfond DM 87.08
EBC TRUST CO.(JERSEY) LTD.
TRADED CURRENCY FUND.
INTERNATIONAL INCOME FUND
F&C MGMT. LTD. INV. ADVISERS
1, Laurence Pountney Hill, EC4. 01-623-4680
-(w) F&C Atlantic $ 17.09
-(w) F&C European $ 25.74
-(w) F&C Oriental $ 42.28
FIDELITY POB 670, Hamilton Bermuda
FORBES PO 887 GRAND CAYMAN
GEFINOR FUNDS.
GLOBAL ASSET MANAGEMENT CORP.
G.T. MANAGEMENT (UK) Ltd.
HILL SAMUEL INVEST. MGMT. INTL. S.A.
JARDINE FLEMING, POB 70 GPO Hg Kg
LLOYDS BANK PLC, POB 438, Geneva 11
NIMARBEN
OBLIFLEX LIMITED
ORANGE NASSAU GROUP
PARISBAS-GROUP
PUTNAM
ROYAL B. CANADA, POB 246, GUERNSEY
SKANDIFOND INTL FUND
SVENSKA INTERNATIONAL LTD.
SWISS BANK CORP. (ISSUE PRICES)
THORNTON MANAGEMENT LTD
UNION BANK OF SWITZERLAND
UNION INVESTMENT Frankfurt
Other Funds

DM - Deutsche Mark; BF - Belgium Francs; FL - Dutch Florin; LF - Luxembourg Francs; ECU - European Currency Unit; SF - Swiss Francs; a - asked; + - Offer Prices; b - bid change P/V $10 to $1 per unit; N.A. - Not Available; N.C. - Not Communicated; o - New; S - suspended; S/S - Stock Split; * - Ex-Dividend; ** - Ex-Rts; *** - Gross Performance Index December; • - Redempt. Price - Ex-Coupon; ** - Formerly Worldwide Fund Ltd; @ - Offer Price incl. 3% prelim. charge; ++ - daily stock price as on Amsterdam Stock Exchange

WORLD STOCKS IN REVIEW
IN THE IHT EVERY MONDAY.
A CONCISE OVERVIEW OF TRADING ON MAJOR WORLD STOCK MARKETS DURING THE PREVIOUS WEEK AND A LOOK AT LIKELY DEVELOPMENTS AHEAD.
ESSENTIAL READING FOR INVESTORS AND PROFESSIONALS — WORLDWIDE

هكذا امنه للأصل

U.S. Futures

Via The Associated Press

May 27

Grains

(CBT) 5,000 bu minimum- dollars per bushel

Season Low	Month	Open	High	Low	Close	Chg.
2.47	Jul	2.56	2.58¼	2.54½	2.55½	—.00¼
2.42	Sep	2.57½	2.59½	2.55¾	2.56¾	—.00½
2.51	Dec	2.66	2.68¼	2.64½	2.65	—.02
2.51	Mar	2.67½	2.68½	2.65¾	2.65¼	—.02½
2.44	May	2.62	2.62	2.57½	2.57½	—.04¼
2.47	Jul	2.48	2.48	2.45	2.45	—.03

Prev. Sales 5,657
Open Int. 33,037 up 120

(CBT) 5,000 bu minimum- dollars per bushel

Season Low	Month	Open	High	Low	Close	Chg.
2.15½	Jul	2.33¼	2.36½	2.33¼	2.35¾	+.02
1.97	Sep	2.05½	2.05¾	2.02	2.02¾	—.01
1.93	Dec	1.96	1.96¾	1.95	1.95¾	—.01¼
2.02	Mar	2.05¾	2.06	2.04½	2.04¾	—.01½
2.07	May	2.11	2.11	2.09½	2.10	—.02
2.07½	Jul	2.10½	2.11	2.10	2.10	—.02

Prev. Sales 23,776
Open Int. 109,039 off 405

NS (CBT) 5,000 bu minimum- dollars per bushel

Season Low	Month	Open	High	Low	Close	Chg.
4.97	Jul	5.30¼	5.35	5.30	5.32¾	+.00¼
4.98½	Aug	5.26½	5.29	5.24¾	5.26½	
4.96	Sep	5.14½	5.18	5.14½	5.15¾	—.01
4.97¼	Nov	5.12½	5.15	5.11¼	5.12¼	—.02
5.06	Jan	5.21	5.23½	5.20¾	5.21¼	—.02½
5.15½	Mar	5.30½	5.32½	5.29	5.30½	—.02½
5.22	May	5.36	5.37½	5.35	5.35	—.03
5.26	Jul	5.37½	5.40	5.37½	5.37½	—.02½
5.35	Aug				5.36½	—.02½

Prev. Sales 14,141
Open Int. 64,539 off 69

N MEAL (CBT) dollars per ton

Season Low	Month	Open	High	Low	Close	Chg.
134.00	Jul	147.00	148.60	146.80	147.60	
135.50	Aug	147.20	148.40	146.70	147.20	—.30
137.50	Sep	146.60	147.00	146.10	146.50	—.10
134.00	Oct	145.50	146.00	144.80	145.20	—.80
134.80	Dec	146.60	146.90	145.50	146.20	—.70
134.00	Jan	147.50	147.50	146.50	147.00	—.50
147.60	Mar	150.00	151.00	149.60	149.60	—.90
150.50	May	153.50	154.00	152.00	152.40	—1.10

Prev. Sales 11,277
Open Int. 49,202 up 21

N OIL (CBT) dollars per 100 lbs.

Season Low	Month	Open	High	Low	Close	Chg.
17.05	Jul	18.45	18.71	18.30	18.36	—.21
17.16	Aug	18.50	18.75	18.37	18.42	—.17
17.30	Sep	18.50	18.75	18.45	18.47	—.08
17.25	Oct	18.45	18.62	18.28	18.40	—.12
17.51	Dec	18.55	18.85	18.53	18.62	
17.78	Jan	18.80	18.90	18.73	18.75	+.08
18.28	Mar	19.20	19.25	19.05	19.15	+.25
18.48	May	19.30	19.30	19.27	19.37	+.35

Prev. Sales 18,225
Open Int. 52,579 up 174

Livestock

(CME) cents per lb.

Season Low	Month	Open	High	Low	Close	Chg.
53.17	Jun	55.50	55.65	54.10	54.27	—1.33
50.45	Aug	52.40	52.47	50.95	51.60	—.75
50.10	Oct	51.45	51.50	50.40	50.92	—.53
51.75	Dec	53.05	53.25	52.30	52.82	—.33
52.05	Feb	53.50	53.70	52.60	52.97	—.33
53.25	Apr	54.70	54.80	54.00	54.40	—.25
54.70	Jun	55.50	55.50	55.50	55.50	—.15

21,962 Prev. Sales 15,373
Open Int. 56,299 off 103

CATTLE (CME) cents per lb.

Season Low	Month	Open	High	Low	Close	Chg.
53.35	Aug	56.65	57.40	55.95	56.80	—.10
52.40	Sep	54.90	55.30	54.80	54.67	—.38
52.85	Oct	55.20	55.55	54.20	54.80	—.52
54.15	Nov	56.30	56.60	55.55	55.80	—.40
54.25	Jan	58.00	58.25	57.80	57.95	—.30
56.75	Mar	58.40	58.40	57.95	57.95	—.15
60.50	Apr	58.00	58.00	58.00	58.00	

1,538 Prev. Sales 1,122
Open Int. 8,627 off 10

(E) cents per lb.

Season Low	Month	Open	High	Low	Close	Chg.
39.80	Jun	48.75	49.00	48.15	48.75	—.32
40.45	Jul	47.80	48.52	47.45	47.70	—.10
39.00	Aug	45.40	46.30	45.10	45.55	+.10
36.50	Oct	41.15	41.40	40.85	41.20	+.20
38.37	Dec	41.92	42.20	41.55	41.85	—.10
39.95	Feb	41.80	42.20	41.65	41.75	
37.20	Apr	38.40	38.80	38.20	38.45	+.10
39.00	Jun	40.75	41.00	40.75	41.00	+.20
40.20	Jul	41.00	41.00	40.90	40.90	+.05

7,813 Prev. Sales 6,468
Open Int. 24,586 up 330

LIES (CME) cents per lb.

Season Low	Month	Open	High	Low	Close	Chg.
51.05	Jul	63.80	64.62	63.50	64.62	+2.00
49.90	Aug	62.60	63.87	61.85	62.62	+1.55
54.40	Feb	60.60	61.00	60.05	60.67	+.70
54.30	Mar	60.10	60.50	59.50	59.65	
58.00	May	61.10	61.10	61.10	61.30	+.10

Prev. Sales 4,565
Open Int. 9,644 up 143

Food

COFFEE C (NYCSCE) 37,500 lbs.- cents per lb.

Season High	Season Low	Month	Open	High	Low	Close	Chg.
278.38	135.50	Jul	209.00	209.00	198.60	203.88	—4.15
282.78	137.50	Sep	211.00	211.00	202.25	207.65	—4.54
287.10	138.80	Dec	215.50	215.50	214.50	214.50	—4.00
290.33	156.75	Mar	217.00	217.00	216.80	216.00	—4.00
291.83	189.80	May				219.50	—4.00
264.25	220.45	Jul	220.50	220.50	220.50	220.50	—4.00
255.00	249.00	Sep				223.00	—4.00

Est. Sales Prev. Sales 2,747
Prev. Day Open Int. 16,790 off 249

SUGAR WORLD 11 (NYCSCE) 112,000 lbs.- cents per lb.

Season High	Season Low	Month	Open	High	Low	Close	Chg.
9.50	3.79	Jul	7.40	7.55	7.35	7.41	—.02
9.46	4.85	Sep	7.56	7.68	7.54	7.54	—.03
9.55	4.02	Oct	7.70	7.85	7.65	7.66	—.05
9.53	6.25	Jan	7.73	7.73	7.73	7.82	—.04
9.46	6.03	Mar	8.10	8.25	8.05	8.05	—.09
9.82	6.75	May	8.27	8.40	8.20	8.20	—.13
9.92	3.86	Jul	8.42	8.50	8.34	8.37	—.11
		Sep				8.48	—.11
9.60	8.35	Oct				8.48	—.07

Est. Sales 8,352 Prev. Sales 6,020
Prev. Day Open Int. 93,455 up 211

COCOA (NYCSCE) 10 metric tons- $ per ton

Season High	Season Low	Month	Open	High	Low	Close	Chg.
2429	1715	Jul	1765	1789	1764	1776	+1
2430	1779	Sep	1835	1845	1820	1833	+2
2425	1805	Dec	1870	1889	1867	1877	+2
2285	1884	Mar	1914	1920	1910	1925	+10
2184	1902	May	1945	1945	1945	1950	+5
2200	1935	Jul	1965	1965	1965	1980	+7
2040	1955	Sep	1975	1975	1975	2000	+15

Est. Sales Prev. Sales 3,415
Prev. Day Open Int. 24,430 up 633

ORANGE JUICE (NYCE) 15,000 lbs.- cents per lb.

Season High	Season Low	Month	Open	High	Low	Close	Chg.
162.50	82.60	May				99.50	—1.10
157.50	83.50	Jul	99.50	99.50	98.25	98.80	—.60
127.25	82.00	Sep	99.25	99.30	97.90	98.25	—.60
125.00	82.50	Nov	98.90	98.90	98.10	98.25	—.90
113.00	83.75	Jan	99.10	99.10	99.00	98.75	—.85
122.00	83.90	Mar	99.60	99.90	99.00	99.05	—.95
101.70	84.75	Jul	100.00	100.00	100.00	100.00	—1.30
		Sep				99.95	—1.15

Est. Sales 400 Prev. Sales 516
Prev. Day Open Int. 7,197 off 38

Metals

COPPER (COMEX) 25,000 lbs.- cents per lb.

Season High	Season Low	Month	Open	High	Low	Close	Chg.
74.00	60.00	May	62.00	62.80	61.80	62.30	+.50
67.45	62.40	Jun				62.35	+.50
72.55	60.35	Jul	62.10	62.70	62.05	62.65	+.50
70.90	60.90	Sep	62.50	63.00	62.45	63.05	+.50
70.30	61.40	Dec	62.90	63.30	62.85	63.45	+.50
70.20	63.30	Jan				63.60	+.50
70.00	63.55	Mar	63.40	63.55	63.35	63.85	+.45
70.10	62.90	May				64.15	+.45
69.95	63.25	Jul	64.30	64.30	64.30	64.45	+.45
70.35	61.50	Sep				64.80	+.45
69.50	65.45	Dec				65.25	+.40
70.80	70.80	Jan				65.40	+.40
68.50	65.60	Mar				65.70	+.40

Est. Sales 4,200 Prev. Sales 4,774
Prev. Day Open Int. 70,444 up 17

ALUMINUM (COMEX) 40,000 lbs.- cents per lb.

Season High	Season Low	Month	Open	High	Low	Close	Chg.
62.35	44.20	May				52.35	+.10
		Jun				52.35	+.10
63.45	44.50	Jul	54.30	52.50	52.20	52.40	+.10
61.20	44.90	Sep	52.48	52.75	52.35	52.60	+.10
61.75	48.95	Dec	52.65	52.65	52.65	52.90	+.10
57.60	56.00	Jan				53.00	+.10
59.40	54.50	Mar				53.15	+.10
57.45	49.40	May				53.25	+.10
60.45	50.00	Jul				53.35	+.10
52.15	51.50	Sep				53.45	+.10
		Dec				53.60	+.10
		Jan				53.70	+.10
		Mar				53.80	+.10

Est. Sales 150 Prev. Sales 302
Prev. Day Open Int. 1,442 up 23

SILVER (COMEX) 5,000 troy oz.- cents per troy oz.

Season High	Season Low	Month	Open	High	Low	Close	Chg.
1048.0	485.0	May	510.0	517.0	510.0	513.6	—1.0
854.0	486.0	Jun	510.5	510.5	509.0	514.1	—1.0
945.0	487.0	Jul	514.0	522.0	511.0	517.8	—1.0
940.0	493.0	Sep	521.5	529.0	518.0	523.3	—1.0
799.0	503.0	Dec	529.5	536.0	527.5	532.3	—1.0
789.0	510.5	Jan	533.0	533.0	530.0	535.7	—1.0
770.0	511.0	Mar	540.0	542.0	538.5	541.5	—.9
752.0	520.8	May	543.5	547.0	545.0	548.4	—.9
746.0	534.0	Jul	553.0	554.0	552.5	555.0	—.9
729.2	532.0	Sep	560.5	563.5	560.0	561.9	—.9
694.0	543.5	Dec	572.5	572.5	569.5	572.5	—.9
607.0	553.0	Jan				576.3	—.9
598.0	535.0	Mar	582.0	582.5	580.0	583.7	—.9

Est. Sales 11,000 Prev. Sales 20,032
Prev. Day Open Int. 75,080 off 2,691

PLATINUM (NYME) 50 troy oz.- dollars per troy oz.

Season High	Season Low	Month	Open	High	Low	Close	Chg.
425.20	394.00	May	411.50	411.50	411.50	411.60	+2.60
434.00	394.00	Jun				412.30	+2.60
448.00	273.00	Jul	409.00	417.50	409.00	413.10	+2.60
450.00	303.50	Oct	413.00	420.00	413.00	414.10	+3.10
449.50	347.00	Jan	415.50	421.00	415.50	418.10	+2.60
448.50	361.00	Apr	419.00	421.50	419.00	420.60	+2.60
417.00	417.00	Jul				424.10	+2.60

Est. Sales 4,313 Prev. Sales 2,440
Prev. Day Open Int. 16,045

PALLADIUM (NYME) 100 troy oz- dollars per oz

Season High	Season Low	Month	Open	High	Low	Close	Chg.
119.30	91.50	Jun	108.00	109.00	107.75	109.80	+.50
		Jul				110.00	
119.00	91.70	Sep	108.25	110.00	108.25	110.80	+.75
120.00	94.25	Dec	109.75	111.00	109.75	111.25	+1.00
120.00	102.00	Mar	111.00	112.75	111.00	112.50	+1.25
		Jun	112.50	113.00	112.50	113.75	

Est. Sales 845 Prev. Sales 638
Prev. Day Open Int. 6,090

GOLD (COMEX) 100 troy oz.- dollars per troy oz.

Season High	Season Low	Month	Open	High	Low	Close	Chg.
355.00	339.00	May				341.90	—.50
433.50	320.50	Jun	341.50	342.70	341.30	341.80	—.60
		Jul				342.40	—.60
427.50	328.00	Aug	344.50	345.80	344.20	345.00	—.70
395.70	331.50	Oct	349.00	349.00	348.60	348.80	—.70
392.00	336.50	Dec	351.80	352.50	351.40	351.70	—.70
397.50	337.30	Feb	354.50	354.50	356.10	355.40	—.80
405.00	344.30	Apr				359.00	—.80
409.00	350.50	Jun	362.90	362.90	362.90	362.80	—.80
408.50	356.00	Aug	367.60	367.60	367.60	366.70	—.90
420.00	361.00	Oct				370.70	—.90
399.40	367.00	Dec	375.00	376.70	375.00	375.00	—.90
384.20	373.50	Feb	381.20	381.20	381.20	379.50	—.90

Est. Sales 20,000 Prev. Sales 18,883
Prev. Day Open Int. 128,951 up 19

Financial

US T. BILLS (IMM) $1 million- pts of 100 pct.

Season High	Season Low	Month	Open	High	Low	Close	Chg.
94.71	87.81	Jun	93.91	93.94	93.88	93.90	+.02
94.86	88.00	Sep	94.01	94.06	93.99	94.02	+.07
94.75	89.05	Dec	93.96	93.98	93.93	93.95	+.07
94.56	89.58	Mar	93.80	93.80	93.75	93.76	+.07
94.35	90.50	Jun	93.52	93.52	93.50	93.51	+.07
94.18	90.83	Sep	93.25	93.25	93.23	93.23	+.07
93.93	91.48	Dec				92.99	+.07
93.80	92.50	Mar				92.76	+.07

Est. Sales Prev. Sales 3,844
Prev. Day Open Int. 41,498

10 YR. TREASURY (CBT) $100,000 prin- pts & 32nds of 100 pct

Season High	Season Low	Month	Open	High	Low	Close	Chg.
105-8	74-30	Jun	99-27	100-2	99-24	100-1	+21
104-22	80-7	Sep	99-2	99-9	99	99-8	+21
103-8	80-2	Dec	98-5	98-17	98-5	98-17	+22
102-6	89-15	Mar	97-18	97-25	97-18	97-25	+22

Est. Sales Prev. Sales 13,705
Prev. Day Open Int. 70,885 up 619

US TREASURY BONDS (CBT) (8 pct-$100,000-pts & 32nds of 100 pct)

Season High	Season Low	Month	Open	High	Low	Close	Chg.
105-15	56-29	Jun	97-13	98-5	97-7	98-1	+15
104-20	56-29	Sep	96-28	97-20	96-18	97-14	+17
103-25	56-25	Dec	95-31	96-20	95-25	96-18	+15
102-30	56-27	Mar	95-10	95-25	95	95-21	+13
102-5	63-12	Jun	94-19	95-1	94-9	94-29	+1
101-22	63-4	Sep	93-30	94-11	93-20	94-8	+1
101-10	62-24	Dec	93-10	93-23	93-1	93-19	+30
100-26	67	Mar	93	93-5	93	93-2	+30
99-23	66-25	Jun				92-21	+1
99-12	76-8	Sep				92-7	+31
99-2	88-5	Dec				91-27	+30

Est. Sales Prev. Sales 119,362
Prev. Day Open Int. 222,902 off 4,876

MUNICIPAL BONDS (CBT) $1000x index- pts & 32nds of 100 pct

Season High	Season Low	Month	Open	High	Low	Close	Chg.
103-17	79-10	Jun	94-12	94-18	93-30	94-8	+11
103-1	79-10	Sep	94-8	94-14	93-27	94-5	+14
98-22	88-20	Dec				93-11	+14
95-25	95-2	Mar				92-20	+14

Est. Sales Prev. Sales 1,855
Prev. Day Open Int. 10,578 up 158

CERT. DEPOSIT (IMM) $1 million- pts of 100 pct

Season High	Season Low	Month	Open	High	Low	Close	Chg.
93.93	86.42	Jun	93.44	93.44	93.39	93.36	+.05
93.97	87.85	Sep				93.38	+.09
93.80	88.34	Dec				93.25	+.10
91.15	91.15	Sep				92.44	+.13

Est. Sales Prev. Sales 3
Prev. Day Open Int. 157

EURODOLLARS (IMM) $1 million- pts of 100 pct.

Season High	Season Low	Month	Open	High	Low	Close	Chg.
93.69	86.73	Jun	93.07	93.07	93.04	93.06	+.05
93.73	87.08	Sep	93.05	93.09	93.04	93.08	+.09
93.42	87.28	Dec	92.93	92.97	92.90	92.95	+.11
93.42	87.44	Mar	92.68	92.72	92.66	92.71	+.12
93.20	88.84	Jun	92.40	92.48	92.37	92.42	+.12
92.99	89.29	Sep	92.13	92.09	92.09	92.14	+.12
92.80	90.18	Dec	91.86	91.90	91.83	91.88	+.13
92.62	91.20	Mar	91.63	91.67	91.58	91.65	+.13

Est. Sales 26,344 Prev. Sales
Prev. Day Open Int. 173,004

EUROPEAN CURRENCY (IMM) 125,000 units

Season High	Season Low	Month	Open	High	Low	Close	Chg.
98.25	82.77	Jun	94.14	95.15	94.03	94.96	+.70
94.80	87.48	Sep				94.91	+.70

Est. Sales 54 Prev. Sales
Prev. Day Open Int. 239 off 12

BRITISH POUND (IMM) $ per pound- 1 point equals $0.0001

Season High	Season Low	Month	Open	High	Low	Close	Chg.
1.5525	1.1530	Jun	1.4920	1.5100	1.4890	1.5020	+130
1.5450	1.3240	Sep	1.4820	1.5000	1.4795	1.4920	+138
1.5300	1.1590	Dec	1.4875	1.4915	1.4840	1.4835	+135
		Mar	1.4825	1.4875	1.4875	1.4800	

Est. Sales 11,718 Prev. Sales 8,469
Prev. Day Open Int. 32,883

CANADIAN DOLLAR (IMM) $ per dlr- 1 point equals $0.0001

Season High	Season Low	Month	Open	High	Low	Close	Chg.
.7360	.6845	Jun	.7289	.7289	.7258	.7260	—48
.7305	.6887	Sep	.7265	.7265	.7233	.7235	—51
.7285	.6790	Dec	.7229	.7240	.7205	.7208	—54
.7256	.6720	Mar	.7219	.7219	.7185	.7177	—57
.7243	.7112	Jun	.7170	.7170	.7170	.7198	—10

Est. Sales 4 Prev. Sales 3,144
Prev. Day Open Int. 14,161

FRENCH FRANC (IMM) $ per franc- 1 point equals $0.00001

Season High	Season Low	Month	Open	High	Low	Close	Chg.
.14525	.12130	Jun				.13800	+60
.14400	.12900	Sep				.13775	+35

Est. Sales Prev. Sales 4
Prev. Day Open Int. 231

GERMAN MARK (IMM) $ per mark- 1 point equals $0.0001

Season High	Season Low	Month	Open	High	Low	Close	Chg.
.4648	.3335	Jun	.4382	.4422	.4365	.4407	+26
.4675	.3762	Sep	.4414	.4448	.4399	.4433	+26
.4703	.3900	Dec	.4426	.4461	.4418	.4459	+26
.4730	.4463	Mar				.4488	+26

Est. Sales 29,349 Prev. Sales 23,446
Prev. Day Open Int. 55,777

JAPANESE YEN (IMM) $ per yen- 1 point equals $0.000001

Season High	Season Low	Month	Open	High	Low	Close	Chg.
.006245	.004220	Jun	.005900	.005938	.005888	.005928	+27
.006280	.004490	Sep	.005923	.005972	.005920	.005959	+26
.006320	.004720	Dec	.005960	.006005	.005957	.005995	+24
		Mar				.006043	+27

Est. Sales 21,403 Prev. Sales 14,859
Prev. Day Open Int. 44,228

SWISS FRANC (IMM) $ per franc- 1 point equals $0.0001

Season High	Season Low	Month	Open	High	Low	Close	Chg.
.5588	.4190	Jun	.5289	.5343	.5269	.5330	+46
.5625	.4290	Sep	.5299	.5372	.5299	.5362	+49
.5658	.4815	Dec	.5340	.5405	.5333	.5400	+50
.5462	.5125	Mar				.5440	+55

Est. Sales 20,330 Prev. Sales 15,869
Prev. Day Open Int. 29,597

Industrials

LUMBER (CME) 130,000 bd. ft.- $ per 1,000 bd. ft.

Season High	Season Low	Month	Open	High	Low	Close	Chg.
190.90	144.00	Jul	173.00	174.90	172.00	174.80	+4.10
182.40	145.50	Sep	167.90	169.50	167.50	169.50	+3.30
174.50	146.00	Nov	163.80	165.20	163.80	165.00	+2.70
175.00	150.00	Jan	167.50	168.20	166.60	167.80	+2.10
175.20	153.80	Mar	168.50	168.50	168.50	168.50	+1.00
173.00	160.00	May	169.00	169.00	169.00	169.00	+2.00

Est. Sales 1,386 Prev. Sales 2,432
Prev. Day Open Int. 6,812

COTTON 2 (NYCE) 50,000 lbs.- cents per lb.

Season High	Season Low	Month	Open	High	Low	Close	Chg.
78.05	56.05	Jul	66.67	67.45	66.60	67.45	+.46
		Aug				35.00	—1.00
65.50	35.60	Oct	35.85	35.89	35.18	35.12	—.93
59.25	35.70	Dec	35.85	35.90	35.25	35.27	—.91
49.50	36.70	Mar	36.70	36.70	36.30	36.30	—.93
52.75	38.00	May	37.40	37.40	37.20	37.20	—.95
46.00	38.28	Jul	38.28	38.40	37.90	38.00	—.40
41.20	39.62	Oct	39.50	39.50	39.50	38.49	—1.13

Est. Sales 3,200 Prev. Sales 1,804
Prev. Day Open Int. 24,469 up 513

HEATING OIL (NYME) 42,000 gal- cents per gal

Season High	Season Low	Month	Open	High	Low	Close	Chg.
75.39	31.20	Jun	44.25	44.50	43.30	43.35	—1.54
74.00	31.40	Jul	42.50	43.05	41.90	42.15	—1.09
74.13	32.00	Aug	42.65	43.00	42.05	42.30	—.83
72.50	32.80	Sep	43.10	43.55	42.50	42.50	—1.10
73.55	33.90	Oct	43.40	44.00	43.30	43.50	—.60
73.50	34.85	Nov	44.40	44.40	43.85	43.90	—.60
75.40	35.40	Dec	44.80	44.85	44.30	44.30	—.60
54.00	36.20	Jan	45.00	45.00	44.25	44.75	—.71
61.80	36.50	Feb	44.60	44.60	44.60	44.40	—.84
41.80	36.00	Apr	40.00	40.00	40.00	40.00	—.04
41.75	37.00	May	38.00	38.00	38.00	38.00	+.06

Est. Sales Prev. Sales 7,947
Prev. Day Open Int. 38,041

CRUDE OIL (NYME) 1,000 bbl.- dollars per bbl.

Season High	Season Low	Month	Open	High	Low	Close	Chg.
27.50	10.15	Jul	15.43	15.47	15.05	15.11	—.48
27.23	10.30	Aug	14.80	14.80	14.58	14.56	—.48
27.00	10.80	Sep	14.58	14.58	14.30	14.30	—.47
26.50	10.90	Oct	14.30	14.50	14.04	14.07	—.43
26.40	11.01	Nov	14.15	14.15	13.95	13.95	—.40
26.20	11.20	Dec	14.05	14.28	13.89	13.90	—.32
26.30	11.33	Jan	14.00	14.00	13.88	13.75	—.37
24.90	11.35	Feb	13.90	13.90	13.70	13.70	—.34
15.70	11.35	Mar	13.95	13.95	13.60	13.68	—.36
14.75	12.50	May	13.80	13.80	13.80	13.80	—.02

Est. Sales Prev. Sales 20,952
Prev. Day Open Int. 89,566 off 1,325

Stock Indexes

SP COMP. INDEX (CME) points and cents

Season High	Season Low	Month	Open	High	Low	Close	Chg.
246.70	183.90	Jun	242.80	246.60	242.30	246.25	+3.90
249.40	187.00	Sep	244.70	248.80	244.50	248.65	+4.00
251.70	178.40	Dec	246.70	250.50	246.70	250.90	+3.95
254.40	235.00	Mar	251.00	250.30	249.20	253.30	+3.90

Est. Sales Prev. Sales
Prev. Day Open Int. 96,569 off 2,307

VALUE LINE (KCBT) points and cents

Season High	Season Low	Month	Open	High	Low	Close	Chg.
248.80	197.00	Jun	244.40	247.35	243.50	247.30	+3.25
250.35	200.05	Sep	246.00	249.00	245.00	249.80	+3.50
249.70	220.50	Dec	247.80	250.40	247.00	250.40	+3.40
251.80	238.80	Mar	250.60	252.20	240.60	252.20	+3.50

Est. Sales Prev. Sales 3,780
Prev. Day Open Int. 15,577 up 444

NYSE COMP. INDEX (NYFE) points and cents

Season High	Season Low	Month	Open	High	Low	Close	Chg.
142.45	106.90	Jun	139.80	142.10	139.55	141.95	+2.25
143.90	108.18	Sep	141.20	143.40	140.85	143.30	+2.30
145.35	121.10	Dec	142.50	144.15	142.10	144.55	+2.25
146.60	136.90	Mar				145.80	+2.20

Est. Sales 11,031 Prev. Sales 10,828
Prev. Day Open Int. 10,828 off 2,946

MAJOR MKT INDEX (CBT) points and eighths

Season High	Season Low	Month	Open	High	Low	Close	Chg.
352	312	Jun	344½	349½	343¾	349¼	+6
352⅝	333½	Jul	345⅛	349¾	344¾	349¼	+5⅝

Est. Sales Prev. Sales 237
Prev. Day Open Int. 313 up 8

Commodity Indexes

	Close	Previous
Moody's	969.50 f	972.10 f
Reuters	1,766.80	1,760.50
D.J. Futures	117.47	118.21
Com. Research Bureau	207.80	209.00

Moody's : base 100 : Dec. 31, 1931.
p - preliminary; f - final
Reuters : base 100 : Sep. 18, 1931.
Dow Jones : base 100 : Dec. 31, 1974.

Market Guide

CBT: Chicago Board of Trade
CME: Chicago Mercantile Exchange
IMM: International Monetary Market Of Chicago Mercantile Exchange
NYCSCE: New York Cocoa, Sugar, Coffee Exchange
NYCE: New York Cotton Exchange
COMEX: Commodity Exchange, New York
NYME: New York Mercantile Exchange
KCBT: Kansas City Board of Trade
NYFE: New York Futures Exchange

Currency Options

May 27

PHILADELPHIA EXCHANGE

Strike Price	Calls—Last Jun	Jul	Sep	Puts—Last Jun	Jul	Sep
sh Pounds-cents per unit.						
140	r	r	r	r	r	1.20
145	r	r	r	0.40	1.10	2.60
150	1.65	2.95	r	1.45	2.80	r
155	0.45	r	r	r	r	r
dian Dollars-cents per unit.						
72	0.85	r	r	0.14	0.31	0.70
73	0.25	r	0.87	r	r	1.30
74	0.05	r	r	r	r	r
75	0.01	s	s	r	s	s
German Marks-cents per unit.						
33	r	s	r	r	s	0.01
38	r	s	r	r	s	0.09
41	r	r	r	0.03	0.17	r
42	r	r	2.95	0.07	0.33	r
43	r	1.50	2.25	0.20	0.44	0.92
44	0.65	1.12	1.66	0.52	0.89	1.34
45	0.26	0.63	1.20	1.13	1.46	1.87
46	0.09	0.30	0.83	r	r	r
47	0.02	0.21	0.55	r	r	r
48	0.01	r	r	r	r	r
49	0.01	r	r	r	r	r
nch Francs-10ths of a cent per unit.						
140	r	r	3.15	r	r	r
panese Yen-100ths of a cent per unit.						
50	3.83	s	r	r	s	r
55	3.82	r	r	r	r	0.37
57	r	2.52	r	0.10	r	r
58	r	r	2.48	0.31	0.76	r
59	0.86	r	1.94	r	1.07	1.67
60	r	0.64	1.24	r	r	2.70
62	r	0.40	0.93	r	r	r
63	r	0.22	0.66	r	r	r
64	r	0.14	0.58	r	r	r
65	r	r	0.31	r	r	r
s Francs-cents per unit.						
45	r	s	r	r	s	0.04
46	r	s	r	r	s	0.09
47	r	s	6.20	r	s	r
48	r	s	r	r	s	0.25
50	r	r	r	0.05	r	r
51	r	r	r	0.09	r	0.76
52	r	r	r	0.22	r	1.11
53	0.87	r	1.95	0.55	r	1.55
54	0.42	0.64	1.39	1.46	r	r
55	0.20	0.56	1.07	r	r	r
56	r	0.32	0.80	r	r	r
57	r	r	0.48	r	r	r

vol. 13,353 Call open int. 305,852
vol. 7,186 Put open int. 258,353
aded. s—No option offered.
mium (purchase price).

Asian Commodities

May 27

E GOLD FUTURES

	High	Low	Settle	Prev. Settle
	341.90	341.70	341.70	341.80
	N.T.	N.T.	345.00	345.10
	N.T.	N.T.	346.60	346.70

10 lots of 100 oz.

MPUR RUBBER cents per kilo

	Close Bid	Ask	Previous Bid	Ask
	202.50	204.50	201.00	203.00
	203.00	205.00	201.50	203.50
	204.50	206.50	203.00	205.00
	206.50	208.50	205.00	207.00

0 lots.

E RUBBER cents per kilo

	Close Bid	Ask	Previous Bid	Ask
	172.00	172.50	170.00	171.00
	172.00	173.00	170.00	170.50
	168.25	170.25	167.00	169.00
	166.25	168.25	165.00	167.00
	163.25	165.25	162.00	164.00
	158.25	160.25	157.00	159.00

MPUR PALM OIL ringgits per 25 tons

	Close Bid	Ask	Previous Bid	Ask
	565.00	567.00	559.00	560.00
	567.00	568.00	562.00	564.00
	561.00	564.00	557.00	559.00
	560.00	562.00	556.00	558.00
	560.00	570.00	555.00	557.00
	555.00	565.00	550.00	560.00
	550.00	570.00	555.00	565.00
	550.00	590.00	550.00	590.00
	560.00	600.00	560.00	600.00

4 lots of 25 tons.
ters.

S&P 100 Index Options

May 27

Calls-Last Jly	Aug	Sep	Puts-Last Jun	Jly	Aug	Sep
	—	—	—	—	—	—
	—	—	1/16	⅛	5/16	½
½	34	—	1/16	3/16	7/16	¾
¼	—	—	⅛	7/16	1	1⅛
	16½	—	⅛	15/16	1¾	2
½	17	12¼	11/16	1⅝	2½	3⅛
	9¾	11	1 9/16	2¾	4½	5⅛
	7⅛	26	5½	6½	8½	n.a.
	4⅝	6	7⅞	8½	10¾	11
	2⅝	3⅝	12½	14	—	—

ne 198,780
int. 497,583
ne 171,978
int. 519,331
ow 230.26 Close 233.65 + 3.39
OE.

RES AND OPTIONS
THE IHT EVERY TUESDAY.
TE ANALYSIS OF TRENDS IN THE
ITIES AND FUTURES MARKETS—

London Commodities

May 27

SUGAR Sterling per metric ton

	High	Low	Close Bid	Ask	Previous Bid	Ask
Aug	170.00	167.80	170.20	170.80	168.40	169.00
Oct	176.20	172.00	175.20	175.60	174.40	174.60
Dec	N.T.	N.T.	179.00	180.40	177.40	178.60
Mar	185.00	181.60	184.20	184.40	183.20	183.40
May	N.T.	N.T.	187.60	188.40	186.60	187.00
Aug	N.T.	N.T.	191.00	192.60	190.60	191.00
Oct	N.T.	N.T.	194.40	196.40	195.60	196.00

Volume: 1,177 lots of 50 tons.

COCOA Sterling per metric ton

	High	Low	Close Bid	Ask	Previous Bid	Ask
May	1,325	1,312	1,311	1,318	1,305	1,312
Jly	1,332	1,312	1,312	1,314	1,310	1,311
Sep	1,354	1,335	1,338	1,339	1,332	1,335
Dec	1,393	1,374	1,376	1,377	1,370	1,372
Mar	1,418	1,404	1,407	1,409	1,396	1,398
May	1,435	1,427	1,423	1,424	1,412	1,415
Jly	1,448	1,440	1,439	1,440	1,427	1,438

Volume: 3,655 lots of 10 tons.

COFFEE Sterling per metric ton

	High	Low	Close Bid	Ask	Previous Bid	Ask
May	1,980	1,930	1,925	1,938	1,985	1,989
Jly	2,048	1,840	1,950	1,955	2,026	2,030
Sep	2,080	1,990	1,990	1,995	2,061	2,065
Nov	2,110	2,025	2,025	2,035	2,090	2,095
Jan	2,118	2,055	2,040	2,050	2,110	2,120
Mar	2,130	2,075	2,065	2,070	2,120	2,135
May	2,149	2,149	2,075	2,110	2,140	2,180

Volume: 4,362 lots of 5 tons.

GASOIL U.S. dollars per metric ton

	High	Low	Close Bid	Ask	Previous Bid	Ask
Jun	133.50	131.25	132.00	133.00	134.50	134.75
Jly	133.00	131.00	131.50	132.00	133.25	133.50
Aug	133.50	132.00	132.50	133.00	133.25	133.75
Sep	134.25	133.25	133.50	134.25	134.25	135.00
Oct	135.75	135.00	134.50	135.25	135.25	135.75
Nov	136.25	135.00	136.00	137.00	137.00	137.50
Dec	N.T.	N.T.	133.50	144.00	130.00	140.00
Jan	N.T.	N.T.	133.00	145.00	130.00	140.00
Feb	N.T.	N.T.	133.00	146.00	130.00	140.00

Volume: 1,665 lots of 100 tons.
Sources: Reuters and London Petroleum Exchange (gasoil, crude oil).

London Metals

May 27

	Close Bid	Ask	Previous Bid	Ask
ALUMINUM Sterling per metric ton				
Spot	758.50	759.50	770.00	772.00
Forward	756.50	757.50	763.00	764.00
COPPER CATHODES (High Grade) Sterling per metric ton				
Spot	927.00	928.00	936.00	937.00
Forward	940.00	941.00	949.00	950.00
COPPER CATHODES (Standard) Sterling per metric ton				
Spot	910.00	912.00	918.00	920.00
Forward	924.00	928.00	932.00	935.00
LEAD Sterling per metric ton				
Spot	254.50	255.00	246.00	247.00
Forward	258.00	258.50	252.50	255.00
NICKEL Sterling per metric ton				
Spot	2660.00	2670.00	2713.00	2715.00
Forward	2725.00	2730.00	2770.00	2775.00
SILVER Pence per troy ounce				
Spot	339.00	340.00	334.00	335.00
Forward	347.50	348.50	342.00	343.00
ZINC Sterling per metric ton				
Spot	440.00	445.00	428.00	425.00

Paris Commodities

May 27

SUGAR French francs per metric ton

	High	Low	Close Bid	Ask	Ch'ge
Aug	1,465	1,447	1,461	1,464	+20
Oct	1,505	1,490	1,495	1,505	+24
Dec	1,510	1,510	1,510	1,530	+28
Mar	N.T.	N.T.	1,545	1,562	+19
May	N.T.	N.T.	1,585	1,600	+13
Aug	N.T.	N.T.	1,630	1,650	+25

Est. vol.: 750 lots of 50 tons. Prev. actual sales: 391 lots. Open interest: 28,257

COCOA French francs per 100 kg

	High	Low	Close Bid	Ask	Ch'ge
May	N.T.	N.T.	—	1,400	—20
Jly	N.T.	N.T.	1,330	—	—20
Sep	1,443	1,443	1,425	1,435	—4
Dec	1,470	1,467	1,445	1,455	—7
Mar	N.T.	N.T.	1,470	1,480	—10
May	N.T.	N.T.	1,480	1,490	—15
Jly	N.T.	N.T.	1,500	—	—5

Est. vol.: 17 lots of 10 tons. Prev. actual sales: 2 lots. Open interest: 164

COFFEE French francs per 100 kg

	High	Low	Close Bid	Ask	Ch'ge
May	N.T.	N.T.	2,020	—	—50
Jly	2,180	2,180	—	2,150	—20
Sep	2,245	2,180	2,188	2,195	—13
Nov	2,285	2,228	2,210	2,225	—12
Jan	N.T.	N.T.	2,215	—	—15
Mar	N.T.	N.T.	—	2,260	—15
May	N.T.	N.T.	2,220	—	—20

Est. vol.: 169 lots of 5 tons. Prev. actual sales: 24 lots. Open interest: 1,032
Source: Bourse du Commerce.

Dividends

May 27

Company	Per	Amt	Pay	Rec
INCREASED				
Core Operations	S	.14	6-30	6-16
USUAL				
AID Corp	Q	.08	6-30	6-13
Conwest Explor cl-A	Q	.10	7-1	6-10
Dibrell Brothers	Q	.22	6-13	6-6
Frankford Corp	Q	.40	7-1	6-11
Merchants Bk NY	Q	.25	6-20	6-13
Nike Inc cl-B	Q	.10	6-20	6-5
Northrop Corp	Q	.20	6-16	6-2
Sparton Corp	Q	.13	7-15	6-15

a-annual; m-monthly; q-quarterly; s-semi-annual
Source: UPI.

German Electrical Orders Up

Reuters

FRANKFURT — Export orders for West Germany's electricals and electronics industry grew 2.9 percent in the first quarter, to 39.2 billion Deutsche marks ($17.2 billion), the industry's trade associa-

Cash Prices

May 27

Commodity and Unit	Tue.	Year Ago
Coffee 4 Santos, lb.	2.85	1.38
Printcloth 64/30 38 ½, yd	0.64	0.63
Steel billets (Pitt.), ton	473.00	473.00
Iron 2 Fdry. Phila., ton	213.00	213.00
Steel scrap No 1 hvy Pitt.	73-74	79-80
Lead Spot, lb	19-20	20-21
Copper elect., lb	68-69	71-73
Tin (Straits)*, lb	3.4992	5.98
Zinc, E. St. L. Basis, lb	0.35	0.46-.47
Palladium, oz	107-109	106
Silver N.Y., oz	5.105	6.82

*: New York spot price.
Source: AP.

U.S. Treasuries

May 27

	Discount Bid	Offer	Yield	Prev. Yield
3-month bill	6.16	6.14	6.34	6.26
6-month bill	6.21	6.19	6.49	6.52
1-year bill	6.25	6.23	6.64	6.68

	Bid	Offer	Yield	Prev. Yield
30-yr. bond	98 10/32	98 12/32	7.39	7.45

Source: Salomon Brothers.

Merrill Lynch Treasury index: 149.64
Change for the day: +0.97
Average yield: 7.24 %
Source: Merrill Lynch.

DM Futures Options

W. German Mark-125,000 marks, cents per mark

May 27

Strike Price	Calls-Settle Jun	Sep	Dec	Puts-Settle Jun	Sep	Dec
42	2.19	2.83	3.36	0.00	0.54	0.87
43	1.20	2.16	2.73	0.13	0.85	1.20
44	0.47	1.59	2.17	0.40	1.26	1.60
45	0.15	1.13	1.71	1.08	1.79	2.19
46	0.03	0.79	1.32	1.96	2.42	2.67
47	0.01	0.51	n.a.	2.94	3.15	3.32

Estimated total vol. 10,171
Calls: Fri. vol. 4,560 open int. 73,285
Puts: Fri. vol. 4,392 open int. 78,678
Source: CME.

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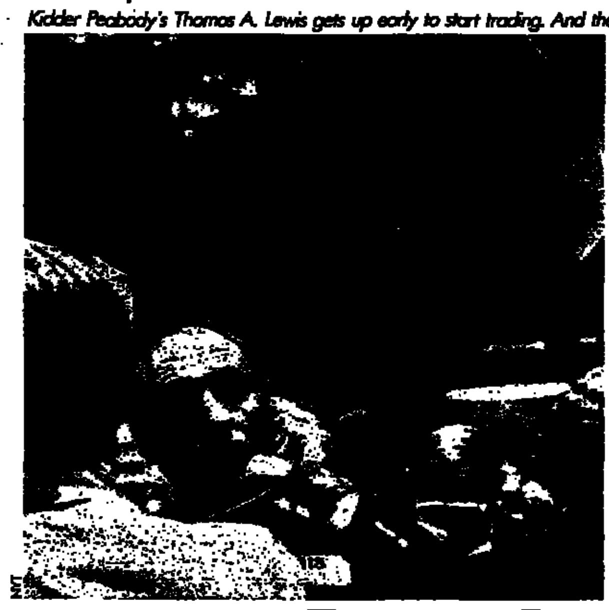

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Ireland	£.I.	140	77	42
Italy	Lire	350,000	190,000	106,000
Luxembourg	L.Fr.	10,700	5,800	3,200
Norway*	N.Kr.	1,650	900	500
Portugal	Esc.	19,000	10,400	5,700
Spain*	Ptas.	26,500	14,600	8,000
Sweden*	S.Kr.	1,700	920	520
Switzerland	S.Fr.	490	270	148
Rest of Europe, North Africa, former French Africa, Middle East	$	400	200	120
Rest of Africa, Gulf States, Asia	$	550	300	165

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635
638

Tuesday's AMEX Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Via The Associated Press

12 Month High	Low	Stock	Div.	Yld.	PE	Sls. 100s	High	Low	Close Quot.	Ch'ge
[illegible]										

AMEX Highs-Lows

NEW HIGHS 40

ATT Fd, AffiPubl s, AmMaize A, AmMaize B, Ausimont n, BioRadLb B s, Bushind, CaplesIn A, CandgaWine, CenturyBus, ChampPrd, ColnFds wt, ConStor s, CrossAT, Duro Test, EECO Inc, Foote Mini, FooteMin pf, Glatfltr s, GouldLP n, Hannafrd s, Heico, HomeShop n, Instron s, IntlBknt wt, Liberty Fncl, MacNSch, MePub Sv, MarkIV, Media Genl, Olla Ind, Perinitiny pf, Pittway Cp, Presidio pf, Silvercrst, SunCity, Ultimate, Valspar s, WashPost, WolfHaw B

NEW LOWS 10

DomePtrl, DomePtr wt, FtAustPr n, Influght Svc, Media s, Media pf, NestnMla, PetLew 22pf, PetLew 333o, StatexPtr pf

Floating-Rate Notes

May 27

Dollars

Issuer/Mat.	Coupon	Next	Bid	Askd
[illegible]				

Pounds Sterling

Issuer/Mat.	Coupon	Next	Bid	Askd
[illegible]				

E.C.U.

Issuer/Mat.	Coupon	Next	Bid	Askd
Cr Foncier 94 (Ecu)	[illegible]	[illegible]	[illegible]	[illegible]
Cr Foncier 96 Ecu	[illegible]	[illegible]	[illegible]	[illegible]
Cr National 95 (Ecu)	[illegible]	[illegible]	[illegible]	[illegible]
Eec 93 (Ecu)	[illegible]	[illegible]	[illegible]	[illegible]
Ireland 97 (Ecu)	[illegible]	[illegible]	[illegible]	[illegible]
Italy 92	[illegible]	[illegible]	[illegible]	[illegible]

Deutsche Marks

Issuer/Mat.	Coupon	Next	Bid	Askd
Austria 98	[illegible]	19-08	98.50	99.00
Bnp 92 (Dm)	5	27-06	[illegible]	[illegible]
Belgium 97 (Dm)	[illegible]	28-08	[illegible]	[illegible]
Commerzbk 95(Dmk)	[illegible]	23-10	[illegible]	[illegible]
Dresdner Fin 90 (Dm)	[illegible]	19-08	[illegible]	[illegible]
Eec 92 (Dm)	[illegible]	29-08	[illegible]	[illegible]
Ireland 97 (Dm)	[illegible]	14-07	[illegible]	[illegible]
Jp Morgan 95 Cap	[illegible]	-	[illegible]	[illegible]
Sweden 97 (Dm)	[illegible]	30-05	[illegible]	[illegible]

Japanese Yen

Issuer/Mat.	Coupon	Next	Bid	Askd
Cnt 97 (Yen)	[illegible]	22-10	99.95	[illegible]
Cr Foncier Aug97 Yen	[illegible]	27-08	[illegible]	[illegible]

Source: Credit Suisse-First Boston Ltd. London

Manila Eying New Credit Arrangement From IMF

Reuters

MANILA — Philippine officials left for Tokyo Tuesday to seek a new standby credit from the International Monetary Fund to cover budgetary deficits and revive the country's economy.

Jose Fernandez, Central Bank governor, and Jaime Ongpin, finance minister, will attend a two-day IMF and World Bank consultative group meeting on the Philippines beginning Wednesday. International banking sources said there may be preliminary discussions on the budget deficit, now estimated at more than 30 billion pesos ($1.5 billion) for calendar 1986, against an earlier projection

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SINESS PEOPLE

lomon, Moët, Transco Pick Envoys

Brenda Erdmann
International Herald Tribune

DON — Three current and American diplomats have amed to business posts.

mon Brothers Inc. of the States said Thomas O. Enarrently U.S. ambassador to will join the securities firm ust as managing director in ernational corporate finance ment.

-Hennessy SA, the French agne, cognac and perfume hy, said Evan G. Galbraith en named chairman of its York-based Moët-Hennessy orp. unit. Mr. Galbraith is mer U.S. ambassador to

sco Energy Co., the Housed energy concern, appointiam H. Luers, former U.S. ador to Czechoslovakia, as or.

g Trust Co. of New York ened a merchant banking Singapore, Irving Trust Innal (Asia) Ltd. David J. was named managing direc-

New Chief Expected At Crédit Agricole

International Herald Tribune

LONDON — Bernard Auberger, a former director of Société Générale, is expected to be named at a French cabinet meeting Wednesday as head of Caisse Nationale de Crédit Agricole, the farmers' cooperative bank.

He would take over from Jean-Paul Huchon, who has served as chief executive and managing director of Crédit Agricole since last year. Other changes at banking institutions are expected.

Bankers Trust Co. of New York has appointed Hugh McFadden as general manager of its Paris branch. He was in Bankers Trust's London office as head of business analysis and planning for Europe, the Middle East and Africa.

Mitsubishi Trust & Banking Corp. (Europe) SA in Brussels said its managing director, Toshihiko Koga, is returning to Tokyo and that his deputy, Hitoshi Kimura, will take over his duties.

Banco Borges & Irmao of Lisbon has named Martin Quartin Bastos as general manager and head of the international division. He formerly was with Banco Totta & Acores.

Barclays Bank PLC has appointed Brian Page as corporate finance director, responsible for its aerospace industry unit.

Bank Hofmann AG, Zurich, has opened its second representative office in West Germany in seven months. The new office is in Dusseldorf and is headed by Markus R. Tödtli, who also is in charge of the Munich office, which opened at the beginning of November.

Cement-Roadstone Holdings PLC has appointed Gerard Valkier a director. Mr. Valkier is managing director of Windmill Holland BV, a Dutch fertilizer company, and nonexecutive chairman of Van Neerbos Beheer BV, Cement-Roadstone's Dutch subsidiary.

Reagan Adviser Optimistic On State of World Economy

International Herald Tribune

LUGANO, Switzerland — Beryl W. Sprinkel, President Ronald Reagan's chief economic adviser, conveyed on Tuesday an optimistic analysis of the world economic situation.

In a speech to bankers and economists at a seminar here, Mr. Sprinkel, chairman of the Council of Economic Advisers, characterized the present state of the world economy as "strong." He cited the Tokyo summit meeting in early May and closer monetary coordination between the major industrial nations as factors in the improvement of the global climate.

"Recent alignments in exchange rates and better convergence of economic performances of the major industrial countries offer real hope of reducing existing imbalances and improving the stability of the international economic system," he said.

But he warned that major problems threatened the world's economic equilibrium. He said that the developing countries, burdened by huge debts, need improved access to markets in industrialized countries in order to meet their obligations.

Meanwhile, however, the large U.S. trade deficit and high unemployment in Western Europe stimulate tendencies to close domestic markets to outside suppliers. The solution, he said, rests in making the most of the present period of low inflation and solid growth to make Western national economies more efficient and flexible. Only in that way, he said, can the industrialized world cope with Third World debt and other problems that are bound to arise in coming years.

CURRENCY MARKETS

Dollar Retreats After Early Gains

Compiled by Our Staff From Dispatches

NEW YORK — The dollar was unable to hold early gains on Tuesday and closed lower against most major currencies.

U.S. and London markets resumed trading after a three-day holiday weekend. Other European markets were open Monday.

The dollar rose in Europe in moderate trading, but dealers said it retreated when it was unable to breach the key level of 2.30 Deutsche marks.

In New York, the dollar closed at 2.2755 DM, at 168.90 Japanese yen, at 1.8815 Swiss francs and at 7.2470 French francs. The British pound ended at $1.5040.

"Lots of people hedged their foreign currency positions by buying dollars ahead of the long weekend," said John Crowley, an investment adviser. "It's natural that they would take profits on the dollar's sharp rise."

In London, dealers differed in their explanations of the dollar-mark movement. Some said it stemmed mainly from profit-taking and was likely to be offset as early as Wednesday. Others said they thought the recent rise of the dollar had ended.

London Dollar Rates

Closing	Tue.	Fri.
Deutsche mark	2.2750	2.2763
Pound sterling	1.5060	1.4928
Japanese yen	169.30	169.75
Swiss franc	1.8828	1.8915
French franc	7.2525	7.2627

Source: Reuters

The dollar ended in London at 2.2750 DM, down from 2.2900 DM at the opening. The pound rose to $1.5060 from $1.4930 at the start.

Dealers said the dollar traded as high as 2.2960 late in the morning, but profit-taking at New York's opening was quickly imitated in Europe, starting the slide.

The yen was less affected. The yen ended its day in London at 169.30 to the dollar, little changed from its opening quote of 169.70.

"It has not been chaotic," one dealer said. "The dollar has come down fairly steadily."

He and other dealers said the dollar could recover from Tuesday's losses in the short term but its longer-term prospects were lower.

They said Washington had tolerated the dollar's recovering somewhat from its lows of 2.15 DM and 160 yen recorded after the Tokyo summit. But, they said, the administration remained concerned about the U.S. trade deficit and would seek a lower dollar.

The dollar closed at 1.8828 Swiss francs in London, down from 1.8945 at the opening. It ended at 7.2525 French francs, slipping from 7.2945 at the start.

In Frankfurt, at the midafternoon fixing, the dollar was up to 2.2940 DM on Tuesday from 2.2807 on Monday. In Paris, at the fixing, the U.S. currency was up as well, to 7.3065 French francs from 7.2660 on Monday.

In Zurich, the dollar slipped to 1.8897 Swiss francs from 1.8905 Monday. *(UPI, Reuters, IHT)*

SIDER: *Government Witness Tells of 'Cover Stories'*

ued from first finance page) was interested in the trad-3 individual stocks.

lated that Mr. Meier, then oyee handling Mr. Levine's said these were trades of a r then identified only as Mr. Pletscher subsequently d the customer as Mr. Le-l said that Mr. Levine personally picked the stocks to be bought or sold and decided how to handle the account.

Mr. Levine, told of the SEC investigation, flew to Nassau the same week to propose a plan to disguise the account, according to the testimony.

Mr. Pletscher said Mr. Levine suggested that his account be added to the bank's "managed accounts," that is, investments that officers of the bank handle on behalf of clients.

"Yes, but this is not a managed portfolio," Mr. Pletscher testified he said.

He quoted Mr. Levine as responding: "The SEC does not know that, and if you go to the SEC and tell them that you have traded in these stocks on behalf of your managed portfolios, you are the *smart guys, you have decided to* buy these securities and allocate them throughout your portfolios; the SEC cannot prove the opposite."

Mr. Pletscher further related that when Bank Leu inspectors came to Nassau from the Swiss office to conduct their annual audit, he and Mr. Meier told them of the SEC investigation. He said the inspectors expressed shock on hearing that the bank faced enormous penalties if implicated.

OMEN: *At Work and at Home*

ued from first finance page) s. "It is the quality of time quantity of time you spend dren that is important."

costing me a fortune and as," says Mrs. Simonard of arwick, who at one point live-in maids. "After my y, I figured out I was just even. All I could hope for my salary would go up faster than the maid's would and it did."

One alternative for mothers of small children is to switch to a lower-pressure job until the youngsters are in school. But there are no easy choices.

"There was no way you could progress in your career and work part time," says Mrs. Simonard.

CAPITAL: *Latin Flight Patterns*

(Continued from first finance page)

themselves have been involved in investment practices that are not in the best interest of the foreign country where they operate," said a Canadian banker long based in the region. "So far, they've been getting away with it."

It is widely known in Brazil that many Brazilians, like many other Latin Americans, keep unreported accounts in the United States and elsewhere. For Brazilians, the practice of keeping accounts abroad is illegal when the accounts are not declared to the tax authorities.

Sources familiar with exchange practices in Brazil said that couriers frequently took cash to neighboring Uruguay, which has a reputation as Latin America's Switzerland. Uruguay, which allows free conversion of currencies, is also believed to have close to $1 billion in Argentine deposits. But *frequently, the sources said,* the deposits are transferred from foreign banks in Uruguay to the United States and Switzerland.

Many Brazilians also buy dollars on the black market, which has operated for decades. Alternatively, sources said, a number of travelers regularly buy precious stones or gold in the local currency, the cruzado, which they sell for dollars or other currencies abroad.

According to the Morgan Guaranty study, $7 billion left Brazil between 1983 and 1985, exceeded by Mexico with a flight of $17 billion and immediately followed by Venezuela with a flight of $6 billion.

Officials at Brazil's central bank have disputed that figure, saying the methodology used by Morgan Guaranty did not apply to Brazil. But they provided no alternative amount.

"I reckon at least $1 billion leaves the country every year," said a former finance minister of Brazil who asked not to be named. "My guess is $500 million leaves for *tourism purposes and another* $500 million or $600 million of capital flight. I know of no accurate statistics."

THE EUROMARKETS

Trading Quiet After Long Holiday Weekend

By Christopher Pizzey
Reuters

LONDON — The Eurobond market generally ended little changed Tuesday, although with a firmer bias, after a quiet day's trading following the long holiday weekend here and in the United States, dealers said.

Initially, dollar-straight bonds generally edged up ⅛ or ¼ point in response to rises in the prices of U.S. Treasury securities over the weekend, but thereafter trading was dull with no fresh factors emerging to influence the market.

Traders said activity was again restricted to professionals with retail clients still absent.

In the floating-rate-note sector, dealers said the news that the European Community is calling its $1.8-billion floater due 1990 for early redemption came as no surprise following France's recent announcement that it is repaying the loan early.

The primary market was also fairly quiet, although New Zealand launched a two-tranche issue totaling $200 million. The first $100-million, four-year tranche pays 7¾ percent and was priced at 100⅛, while the second portion pays 8 percent over seven years and was priced at 99¼.

The tranches were quoted by brokers at a discount of 2⅜ respectively, just outside their total fees. The lead manager was Credit Suisse First Boston Ltd.

Also launched during the day was a $100-million bond for All Nippon Airways Co. that pays 8¼ percent over 10 years and was priced at 100½.

It was lead-managed by Chase Manhattan Ltd. and guaranteed by the Long-Term Credit Bank of Japan Ltd. The issue was quoted by a broker at a discount of 2⅛, outside the total fees of 2 percent.

A $70-million, equity-warrant bond was launched for Iseki & Co. The five-year issue has an indicated coupon of 2⅞ percent and was priced at par. The lead manager was Nikko Securities Co. (Europe). It was trading on the gray market at a discount of 1⅛ compared with 2¼ percent total fees.

In the Eurosterling market, Hessische Landesbank Girozentrale launched a £50-million bond paying 9⅛ percent over five years and priced at 100¾. The lead manager was Samuel Montagu & Co.

Back in the secondary market, sterling-straight bonds were generally a little easier as the U.K. government bond market drifted slightly lower, dealers said.

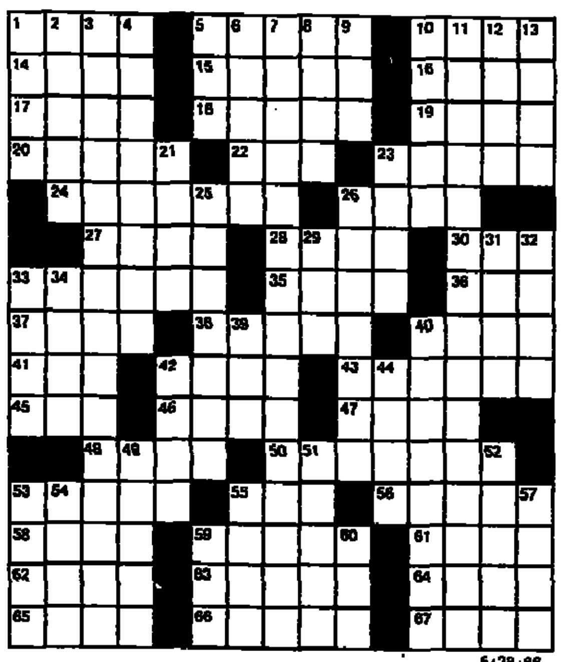
Tuesday's OTC Prices

NASDAQ prices as of 3 p.m. New York time.
Via The Associated Press

12 Month High	Low	Stock	Div.	Yld.	Sales in 100s	High	Low	3 P.M.	Net Ch'ge
X									
4¼	1½	Xebec			101	2⅝	2½	2½	— ⅛
12	5¾	Xicor			167	10	9⅝	9¾	— ⅜
21¾	11¾	Xidex			844	21	20½	20¾	— ¼
Y									
37¾	17¼	YlowF s	.54	1.5	942	35½	34⅞	35½	+1⅛
Z									
20	11	Ziegler	.48b	2.8	2	17¼	17¼	17¼	
63½	34	ZionUt	1.36	2.3	50	59¾	58⅞	59¾	+ ⅞
5¼	1⅝	Zitel			35	4⅞	4⅞	4⅞	+ ⅛
7⅛	3¾	Zivad			12	5½	5½	5½	
23¼	9½	Zondvn		.4	166	21	20½	21	+ ¾

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a — dividend also extra(s)./l
b — annual rate of dividend plus stock dividend./l
c — liquidating dividend./l
cld — called./l
d — new yearly low./l
e — dividend declared or paid in preceding 12 months./l
g — dividend in Canadian funds, subject to 15% non-residence tax.
i — dividend declared after split-up or stock dividend.
j — dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting.
k — dividend declared or paid this year, an accumulative issue with dividends in arrears.
n — new issue in the past 52 weeks. The high-low range begins with the start of trading.
nd — next day delivery.
P/E — price-earnings ratio.
r — dividend declared or paid in preceding 12 months, plus stock dividend.
s — stock split. Dividend begins with date of split.
sls — sales.
t — dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.
u — new yearly high.
v — trading halted.
vi — in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.
wd — when distributed.
wi — when issued.
ww — with warrants.
x — ex-dividend or ex-rights.
xdis — ex-distribution.
xw — without warrants.
y — ex-dividend and sales in full.
yld — yield.
z — sales in full.



5/28/86

ACROSS

1 Kind of prof.
5 Marconi specialty
10 Thailand, once
14 Word with cream or grapes
15 Correct
16 Sicilian city
17 Big horn
18 Lost color
19 QB's objective
20 —— Joe, killer exposed by Tom Sawyer
22 "—— the season . . ."
23 Kind of TV
24 Popular
26 Jamie of "M*A*S*H"
27 Arrived
28 King or Arkin
30 Diplomatic rep.
33 Salesman's speech
35 Need of 30 Across
36 Shakespearean prince
37 Hawkeye State
38 Attorney General Edwin ——
40 Bewilderment
41 Alfonso's wife
42 Arm, e.g.
43 Judged
45 Legal thing
46 "—— boy!"
47 Samovars
48 Rant's partner
50 Limousine accessory
53 Southwestern building
55 Nabokov novel
56 Certain aircraft, for short
58 Intermediate: Comb. form
59 Pivot
61 "—— and loved": Gibbon
62 Chilled
63 Necktie
64 —— bene
65 Medicinal amount
66 Act part
67 F.B.I. agents

DOWN

1 Italian wine region
2 Long Island ——
3 Gilroy's 1965 Pulitzer Prize play, with "The"
4 Injuries
5 Knock
6 Violinmaker
7 Albee's 1967 Pulitzer Prize play, with "A"
8 Feminine suffixes
9 Like one or five
10 Creator of Alice the Goon
11 Green's 1927 Pulitzer Prize play
12 Indigo
13 Leo's locks
21 Seward Peninsula city
23 Argot
25 House destroyer
26 Confronted boldly
29 —— Vegas
31 Labyrinth
32 Slovenian lake or town
33 Landing structure
34 Superior
39 North Sea feeder
40 Indicating
42 "Saturday Night ——"
44 Slips
49 Domicile
51 Light-bulb gas
52 Make happy
53 Among
54 Art style of the late 1920's
55 Kind of brake
57 Duck's relative
59 Possesses
60 Metz season

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DENNIS THE MENACE

"BUTTERFLIES MAKE IT LOOK WINDY OUT EVEN WHEN IT ISN'T."

JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

ALVIA

YARRT

MOBERY

TOATER

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer: BY ○○○○○○ & ○○○○○○○

(Answers tomorrow)

Yesterday's | Jumbles: BEGUN PHONY HANSOM ARCTIC
Answer: Some men make money without working for it from suckers who want to do this— THE SAME THING

WEATHER

EUROPE

	HIGH C	HIGH F	LOW C	LOW F	
Algarve	25	77	18	64	fr
Amsterdam	15	59	11	52	r
Athens	29	84	20	68	fr
Barcelona	25	77	18	64	cl
Belgrade	26	79	12	54	fr
Berlin	26	79	14	57	fr
Brussels	21	70	10	50	fr
Bucharest	25	77	10	50	cl
Budapest	24	75	13	55	fr
Copenhagen	16	61	8	46	fr
Costa Del Sol	26	79	15	59	fr
Dublin	11	52	9	48	sh
Edinburgh	11	52	6	43	r
Florence	32	90	14	57	fr
Frankfurt	26	79	13	55	cl
Geneva	24	75	14	57	o
Helsinki	16	61	8	46	fr
Istanbul	23	73	13	55	fr
Las Palmas	29	84	23	73	fr
Lisbon	25	77	14	57	fr
London	16	61	9	48	cl
Madrid	30	86	13	55	fr
Milan	27	81	17	63	fr
Moscow	22	72	9	48	o
Munich	27	81	14	57	fr
Nice	26	79	19	66	o
Oslo	14	57	8	46	o
Paris	25	77	13	55	fr
Prague	27	81	12	54	fr
Reykjavik	10	50	3	37	cl
Rome	27	81	14	57	fr
Stockholm	18	64	9	48	fr
Strasbourg	25	77	15	59	st
Venice	27	81	14	57	fr
Vienna	26	79	12	54	fr
Warsaw	28	82	18	64	fr
Zurich	20	68	16	61	sh

MIDDLE EAST

	HIGH C	HIGH F	LOW C	LOW F	
Ankara	20	68	6	43	cl
Beirut	—	—	—	—	na
Damascus	—	—	—	—	na
Jerusalem	25	77	13	55	fr
Tel Aviv	28	82	16	61	fr

OCEANIA

	HIGH C	HIGH F	LOW C	LOW F	
Auckland	16	61	9	48	fr
Sydney	20	68	13	55	fr

ASIA

	HIGH C	HIGH F	LOW C	LOW F	
Bangkok	34	93	27	81	cl
Beijing	28	82	20	68	o
Hong Kong	29	84	26	79	cl
Manila	28	82	25	77	r
New Delhi	31	88	21	70	fr
Seoul	25	77	19	66	fr
Shanghai	22	72	20	68	o
Singapore	29	84	28	82	o
Taipei	28	82	25	77	o
Tokyo	22	72	18	64	fr

AFRICA

	HIGH C	HIGH F	LOW C	LOW F	
Algiers	30	86	18	64	fr
Cairo	31	88	18	64	fr
Cape Town	25	77	16	61	o
Casablanca	23	73	17	63	cl
Harare	21	70	13	55	cl
Lagos	30	86	25	77	o
Nairobi	23	73	12	54	cl
Tunis	28	82	20	68	cl

LATIN AMERICA

	HIGH C	HIGH F	LOW C	LOW F	
Buenos Aires	18	64	12	54	fr
Caracas	28	82	20	68	cl
Lima	—	—	—	—	na
Mexico City	24	75	14	57	r
Rio de Janeiro	—	—	—	—	na

NORTH AMERICA

	HIGH C	HIGH F	LOW C	LOW F	
Anchorage	16	61	6	43	pc
Atlanta	29	84	18	64	st
Boston	25	77	12	54	fr
Chicago	19	66	12	54	r
Denver	20	68	5	41	pc
Detroit	24	75	14	57	cl
Honolulu	31	88	22	72	fr
Houston	27	81	18	64	st
Los Angeles	27	81	16	61	fr
Miami	30	86	24	75	pc
Minneapolis	24	75	12	54	cl
Montreal	25	77	12	54	fr
Nassau	30	86	16	61	pc
New York	27	81	15	59	fr
San Francisco	21	70	12	54	fr
Seattle	22	72	12	54	pc
Toronto	25	77	12	54	pc
Washington	24	75	19	66	cl

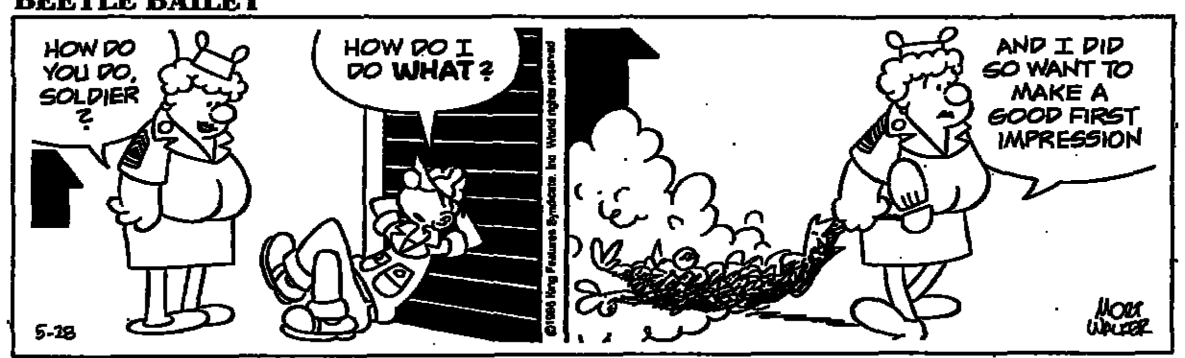
cl-cloudy; fo-foggy; fr-fair; h-hail; o-overcast; pc-partly cloudy; r-rain; sh-showers; sw-snow; st-stormy.

WEDNESDAY'S FORECAST — CHANNEL: Rough. FRANKFURT: Showers. Temp. 23—13 (73—55). LONDON: Cloudy. Temp. 14—8 (57—46). MADRID: Fair. Temp. 30—12 (86—54). NEW YORK: Cloudy. Temp. 25—17 (77—63). PARIS: Showers. Temp. 21—11 (70—52). ROME: Cloudy. Temp. 27—16 (81—61). TEL AVIV: NA. ZURICH: Stormy. Temp. 20—14 (68—57). BANGKOK: Fair. Temp. 35—26 (95—79). HONG KONG: Fair. Temp. 30—26 (86—79). MANILA: Showers. Temp. 29—23 (84—73). SEOUL: Foggy. Temp. 26—15 (79—59). SINGAPORE: Fair. Temp. 31—27 (88—81). TOKYO: Fair. Temp. 23—13 (73—55).

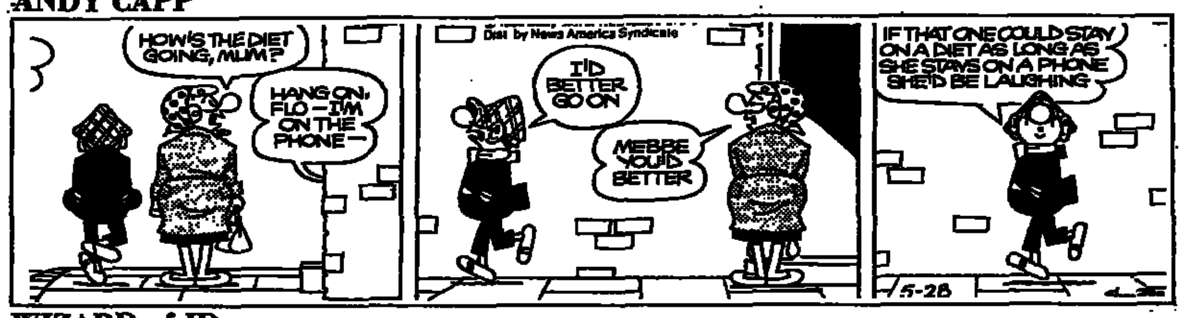
PEANUTS

BLONDIE

BEETLE BAILEY



ANDY CAPP



WIZARD of ID

REX MORGAN

GARFIELD

BOOKS

HOW REAL IS THE FEDERAL DEFICIT?

By Robert Eisner. 240 pages. $17.95. The Free Press, 866 Third Avenue, New York, N. Y. 10022.

Reviewed by
Christopher Lehmann-Haupt

EVERYBODY knows that inflation erodes the real value of money, right? That it would take, say, about three dollars today to buy the goods and services that a single dollar bought in 1966. Everybody knows this, right? No, wrong. According to Robert Eisner — who is the William R. Kenan Professor of Economics at Northwestern University and a member of the editorial boards of several major economic journals — the people who keep track of the federal deficit don't know it.

As Eisner argues in "How Real Is the Federal Deficit?" the people who measure our current annual deficits at around $200 billion and our gross national debt as "approaching to $2 trillion" have failed to make allowances for inflation. If only they would, as Eisner and his colleague Paul J. Pieper have done, they would discover, for instance, that as recently as 1980 the annual budget deficit was a small percentage of gross national product compared with certain other years since 1940.

The implications of this insight are quite staggering, and suggest that the recent economic past has been wholly misread. For instance, the miracle of Reaganomics is not that supply-side economics worked, but that a combination of lower taxes and higher defense spending produced budget deficits that served to stimulate the economy and produce recovery. In short, what Eisner is driving at is that once we allow for inflation, we see that the Keynesian revolution was never to be questioned; deficit spending has worked all along.

Can it possibly be so simple? After all the hullabaloo over supply-side economics and the anti-Keynesian, neoclassical revolution, can it really just have been a matter of a missing dollar index? Actually, it isn't all that simple, at least as Robert Eisner handles it. His analysis is often extremely difficult to follow. His language is often opaque, even by the standards of a typical economics text. And his conclusions are often far from obvious.

And what he is finally driving at is not so much a defense of classical Keynesian precepts as a new "Keynesian-neoclassical synthesis." Eisner is not arguing that the present mounting deficit doesn't matter. He simply concludes that it is not as great as perceived, that it has served a useful purpose, and that it should be reduced by traditional means: increased taxation or reduced military spending.

In short, it is not for a neophyte to judge the merits of Eisner's surprising analysis. But one conclusion seems irresistible, at least to an unsophisticated mind. If Eisner is correct, then economics as a profession is going to have to do one of two things. Either it must send one of its practitioners forth to demolish Eisner's analysis with a few deft thrusts, or else it must stand guilty of what it has so often been accused of being — a science that is lost in the wilderness, yet still can't see the forest for the trees.

Christopher Lehmann-Haupt is on the staff of The New York Times

BEST SELLERS

The New York Times

This list is based on reports from more than 2,000 bookstores throughout the United States. Weeks on list are not necessarily consecutive.

FICTION

This Week		Last Week	Weeks on List
1	A PERFECT SPY, by John Le Carré	1	[illegible]
2	I'LL TAKE MANHATTAN, by Judith Krantz	2	[illegible]
3	THE BOURNE SUPREMACY, by Robert Ludlum	3	12
4	LAKE WOBEGON DAYS, by Garrison Keillor	4	[illegible]
5	THE MAMMOTH HUNTERS, by Jean M. Auel	5	[illegible]
6	BREAK IN, by Dick Francis	6	[illegible]
7	THE GOOD MOTHER, by Sue Miller	[illegible]	[illegible]
8	LIE DOWN WITH LIONS, by Ken Follett	7	[illegible]
9	HOME FRONT, by Patti Davis with Maureen Strange Foster	11	[illegible]
10	THE ENEMY WITHIN, by L. Ron Hubbard		1
11	SEASONS OF THE HEART, by Cynthia Freeman	14	6
12	THE SONGS OF DISTANT EARTH, by Arthur C. Clarke	—	[illegible]
13	HIGH HEARTS, by Rita Mae Brown	12	2
14	THE HANDMAID'S TALE, by Margaret Atwood	10	[illegible]
15	THE BOOK OF ABRAHAM, by Marek Halter	8	2

NONFICTION

This Week		Last Week	Weeks on List
1	FATHERHOOD, by Bill Cosby	3	3
2	YOU'RE ONLY OLD ONCE! by Dr. Seuss	2	11
3	THE TRIUMPH OF POLITICS, by David A. Stockman	1	3
4	ENTER TALKING, by Joan Rivers with Richard Meryman	6	3
5	BUS 9 TO PARADISE, by Leo Buscaglia	5	15
6	WHEN ALL YOU'VE EVER WANTED ISN'T ENOUGH, by Harold S. Kushner	4	6
7	BESS W. TRUMAN, by Margaret Truman	8	4
8	JAMES HERRIOT'S DOG STORIES, by James Herriot	16	2
9	NECESSARY LOSSES, by Judith Viorst	7	5
10	THE MAN WHO MISTOOK HIS WIFE FOR A HAT, by Oliver Sacks	9	5
11	BLESSINGS IN DISGUISE, by Alec Guinness	12	9
12	IACOCCA: An Autobiography, by Lee Iacocca with William Novak	10	82
13	ALL GOD'S CHILDREN NEED TRAVELING SHOES, by Maya Angelou		1
14	ADRIFT, by Steven Callahan	11	13
15	THE GREAT GETTY, by Robert Lenzner	14	12

ADVICE, HOW-TO AND MISCELLANEOUS

This Week		Last Week	Weeks on List
1	FIT FOR LIFE, by Harvey Diamond and Marilyn Diamond	1	46
2	CALLANETICS, by Callan Pinckney with Sallie Batson	2	26
3	WOMEN WHO LOVE TOO MUCH, by Robin Norwood	3	34
4	THE ROTATION DIET, by Martin Katahn		1
5	THE BE (HAPPY) ATTITUDES, by Robert Schuller	4	29

Solution to Previous Puzzle

S	P	R	A	T		T	O	S	C	A		S	T	S
A	L	O	N	E		A	D	O	R	N		L	E	O
B	A	G	E	L	A	N	D	L	O	X		Y	E	S
E	T	E		L	U	K	E		M	I	L	A	N	O
R	E	T	E	S	T		R	O	W	E	L	S		
			M	O	O	S		W	E	T	B	A	C	K
C	A	J	U	N		P	O	L	L	Y		F	O	E
A	G	A	S		F	L	A	I	L		B	O	N	Y
R	A	M		S	E	E	R	S		M	I	X	E	S
P	R	E	S	I	D	E		H	E	I	R			
		S	O	L	E	N	T		I	N	D	E	N	T
M	E	M	O	I	R		A	C	R	E		L	O	A
A	R	C		C	A	T	C	H	E	R	S	B	O	X
R	I	O		A	T	R	I	A		A	R	O	S	E
T	E	X		S	E	A	T	S		L	O	W	E	R

5/28/86

BRIDGE

By Alan Truscott

ON the diagramed deal, when South showed the values to overcall East's weak two-bid, North was certainly entitled to consider a grand slam. But when a club was led against seven spades, South could see only 12 tricks. There was more than one way to try for the 13th, and he chose the best line.

The opening lead was won in the closed hand and four rounds of trumps were taken. The remaining clubs and top hearts were taken, leaving the lead in dummy in this position:

NORTH
♠ —
♡ 6 5
◇ A
♣ —

WEST
♠ —
♡ —
◇ J 6 4
♣ —

EAST
♠ —
♡ Q
◇ K 10
♣ —

SOUTH
♠ 4
♡ —
◇ Q 9
♣ —

A heart ruff established a winner in dummy for the final trick. East had been subjected to a trump squeeze on the run of the clubs: If he had saved one more heart, he would have had to unguard the diamond king, and the diamond ace would have been cashed in the three-card ending.

NORTH
♠ A 7 3
♡ A K 6 5
◇ A 8
♣ K Q J 4

WEST
♠ 8 6
♡ —
◇ J 6 4 3 2
♣ 10 9 8 7 3 2

EAST (D)
♠ 10 9 5
♡ Q J 10 9 8 4
◇ K 10 7
♣ 5

SOUTH
♠ K Q J 4 2
♡ 7 3 2
◇ Q 9 5
♣ A 6

North and South were vulnerable.
The bidding:

East	South	West	North
2 ♡	2 ♠	Pass	4 N.T.
Pass	5 ◇	Pass	7 ♠
Pass	Pass	Pass	

West led the club ten

World Stock Markets

Via Agence France-Presse May 27

Closing prices in local currencies unless otherwise indicated.

Amsterdam

	Close	Prev.
ABN	582	589
ACF Holding	306.50	305
Aegon	109.30	110
Akzo	172.10	174.20
Ahold	81.40	82.70
Amev	84.20	85.80
A'Dam Rubber	12.20	12.15
Amro Bank	111.40	112.20
BVG	223.50	225
Buehrmann T	184	187
Caland Hldg	17.50	18.50
Elsevier-NDU	211.50	212
Fokker	93	93.50
Gist Brocades	283.50	283.50
Heineken	172	169.80
Hoogovens	113.80	115
KLM	50.30	51
Naarden	53.90	53.90
Nat Neder	88.30	90.20
Nedlloyd	172.50	173
NMB	212	214
Oce Vander G	495	495
Pakhoed	54.50	54
Philips	58.20	59.20
Robeco	93.50	93.30
Rodamco	140.80	140.80
Rolinco	85.90	86
Rorento	50.80	50.60
Royal Dutch	193	193.20
Unilever	465	464
Van Ommeren	34.60	34
VMF Stork	291	293
VNU	345	344

ANP.CBS Gen'l Index : 286.40
Previous : 287.90

Brussels

	Close	Prev.
Arbed	3375	3395
Bekaert	12775	12800
Cockerill	151	152
Cobepa	4630	4700
EBES	4500	4540
GB-Inno-BM	7790	7860
GBL	3210	3210
Gevaert	6130	6200
Hoboken	7320	7310
Intercom	3725	3700
Kredietbank	15500	15200
Petrofina	8040	8000
Soc Generale	3800	3855
Sofina	10325	10400
Solvay	8190	8280
Traction Elec	6200	6300
UCB	7310	7300
Unerg	2755	2755
Vieille Montagne	5800	5850

Current Stock Index : 3445.76
Previous : 3481.28

Frankfurt

	Close	Prev.
AEG	311	303.60
Allianz Vers	2376	2440
Altana	405	405
BASF	273.50	279.50
Bayer	296	299.50
Bay. Hypo bank	541	550
Bay Vereinsbank	530	535
BBC	313	316
BHF-Bank	502	504
BMW	574	585
Commerzbank	303.50	316
Conti Gummi	242.50	251
Daimler-Benz	1298	1343
Degussa	457	459
Deutsche Babcock	199	199
Deutsche Bank	782	797
Dresdner Bank	407	417
GHH	214	213
Harpener	389	392
Hochtief	950	945
Hoechst	279.50	277.50
Hoesch	175.50	181
Horten	185.20	186
Hussel	485	495
IWKA	279	285.50
Kali + Salz	250	258
Karstadt	328	330
Kaufhof	423	426
Kloeckner H-D	258	262.50
Kloeckner Werke	90.30	92
Krupp Stahl	168	170
Linde	709	708
Lufthansa	211	219
MAN	180	194.50
Mannesmann	210.30	210.50
Muench Rueck	3350	3280
Nixdorf	582	585
PKI	810	818
Porsche	1070	1060
Preussag	198	204.50
PWA	224.50	225
RWE	225	230
Rheinmetall	352	370
Schering	570	575
SEL	360	357.50
Siemens	613	622.50
Thyssen	160.50	165.80
Veba	272.50	284
Volkswagenwerk	356.50	371
Wella	818	817

Commerzbank Index : 1949.00
Previous : 1989.30

Hong Kong

	Close	Prev.
Bk East Asia	19.60	19.40
Cathay Pacific	5.75	5.75
Cheung Kong	21.30	21.20
China Light	16.40	16.10
Green Island	8.05	8.05
Hang Seng Bank	37	34.50
Henderson	2.15	2.175
China Gas	15.70	15.70
HK Electric	9.05	9.05
HK Realty A	10.60	10.70
HK Hotels	37.50	37.25
HK Land	6.25	6.25
HK Shang Bank	6.90	6.90
HK Telephone	11.60	11.70
HK Yaumatei	3.20	3.225
HK Wharf	7.15	7.15
Hutch Whampoa	29.90	29.70
Hysan	0.69	0.69
Jardine	12.80	12.70
Jardine Sec	12.70	12.60
Kowloon Motor	8.85	8.80
Miramar Hotel	3.625	3.625
New World	6.45	6.45
SHK Props	12.50	12.50
Stelux	1.76	1.72
Swire Pacific A	13	13
Tai Cheung	1.99	1.99
Wing On Co	1.52	1.50
Winsor	8.45	8.50
World Int'l	2.425	2.425

Hang Seng Index : 1814.30
Previous : 1811.87

Johannesburg

	Close	Prev.
AECI	1125	1125
Anglo American	4450	4425
Anglo Am Gold	22500	22800
Barlows	1800	1760
Blyvoor	1800	1800
Buffels	7220	7200
De Beers	2550	2500
Driefontein	5250	5225
Freegold	3425	3400
GFSA	4075	4075
Harmony	3150	3055
Hiveld Steel	675	635
Kloof	2300	2250
Nedbank	620	620
Rusplat	3325	3275
SA Brews	1025	1010
St Helena	4375	4375
Sasol	695	695
Welkom	2100	2050

Composite Stock Index : 1439.30
Previous : 1437.80

London

	Close	Prev.
AA Corp	$12¼	$12¼
Allied-Lyons	320	321
Anglo Am Gold	362	362
Ass Brit Foods	332	330
Asda-MFI Gp	146	144
Barclays	499	499
Bass	795	800
B.A.T.	383	381
Beecham	393	395
BL	38	38
Blue Circle	681	683
BOC Group	315	318
Boots	264	264
Bowater Indus	311	313
BP	583	583
Brit Telecom	236	240
Brit Aerospace	546	548
Britoil	180	181
BTR	316	315
Burmah	355	355
Cable Wireless	638	640
Cadbury Schw	168	172
Charter Cons	233	233
Commercial U	312	316
Cons Gold	447	449
Cookson Group	513	510
Courtaulds	280	284
Dalgety	265	265
De Beers ε	780	785
Driefontein	$14¾	$14¾
Fisons	566	566
Free St Ged	$9⅝	$9⅝
GEC	196	196
Gen Accident	824	824
GKN	340	340
Glaxo	980	983
Grand Met	403	415
GRE	842	847
Guinness	295	298
GUS	12¾	12¾
Hanson	184	178
Hawker	579	581
ICI	892	901
Imperial Group	364	361
Jaguar	475	466
Land Securities	318	320
Legal General	752	754
Lloyds Bank	564	569
Lonrho	254	253
Lucas	568	573
Marks and Sp	208	209
Metal Box	720	715
Midland Bank	599	544
Nat West Bank	745	750
P and O	530	538
Pilkington	418	420
Plessey	216	216
Prudential	812	817
Racal Elect	210	212
Randfontein	$69½	$69½
Rank	567	559
Reed Intl	814	814
Reuters	443	443
Royal Dutch ε	[illegible]	[illegible]
RTZ	649	657
Saatchi	772	778
Sainsbury	384	388
Sears Holdings	128	126
Shell	808	808
STC	142	146
Std Chartered	802	799
Storehouse	290	290
Sun Alliance	667	674
Tate and Lyle	565	565
Tesco	380	378
Thorn EMI	457	454
T.I. Group	540	540
Trafalgar Hse	299	299
THF	156	157
Ultramar	148	148
Unilever ε	16 13/64	16 3/32
United Biscuits	245	248
Vickers	458	461
War Loan 3½ ε	40½	40½
Woolworth	860	860

F.T. 30 Index : 1324.80
Previous : 1331.40
F.T.S.E. 100 Index : 1612.10
Previous : 1617.40

Milan

	Close	Prev.
Banca Comm	30200	30700
Cigahotels	6500	6405
CIR	16400	14520
Cred Ital	4390	4380
Eridania	5990	6150
Farmitalia	18950	19450
Fiat	15000	13851
Generali	166900	168650
IFI	32460	32750
Italcementi	72200	73500
Italgas	3255	3252
Italmobiliari	139900	142000
Mediobanca	299000	300000
Montedison	3668	3751
NBA	4300	4210
Olivetti	18690	19110
Pirelli	5995	6230
RAS	71500	70010
Rinascente	1275	1300
SIP	3939	3979
SME	3201	3125
Snia	6799	6840
Standa	16400	16308
Stet	6400	6545

MIB Current Index : 1907
Previous : 1927

Paris

	Close	Prev.
Air Liquide	N.A.	732
Alsthom Atl.	480	488
Av Dassault	1350	1400
Bancaire	1159	1116
BIC	618	602
Bongrain	1840	1750
Bouygues	1051	1060
BSN-GD	3500	3400
Carrefour	3410	3380
Chargeurs	1078	N.Q.
Club Med	487	495
Darty	2880	3000
Dumez	1289	N.Q.
Elf-Aquitaine	289	285.50
Europe 1	1270	1250
Gen Eaux	1251	1240
Hachette	3000	3010
Lafarge Cop	1260	1270
Legrand	3675	3620
Lesieur	1070	1070
l'Oreal	3300	3210
Martell	1608	1550
Matra	2060	2070
Merlin	3022	2960
Michelin	2700	2620
Moet Hennessy	2255	2180
Moulinex	85	84.90
Occidentale	905	875
Pernod Ric	1005	1000
Perrier	680	660
Peugeot	925	872
Printemps	563	N.Q.
Radiotechn	820	740
Redoute	1870	1830
Roussel Uclaf	1380	1421
Sanofi	705	675
Skis Rossignol	1270	1267
Telemecan	3160	3080
Thomson CSF	1300	1138
Total	356	345

CAC Index : 356.80
Previous : 350.90

Singapore

	Close	Prev.
Cerebos	2.40	2.61
Cold Storage	2.85	2.78
DBS	5.30	5.35
Fraser Neave	6.15	6
Haw Par	2.21	2.19
Hume	1.42	1.57
Inchcape	1.57	1.45
Lum Chang	0.875	0.87
Malayan Banking	3.16	3.04
OCBC	6.50	6.45
OUB	2.59	2.53
OUE	1.90	1.78
Shangri-la	2.14	2.04
Sime Darby	1.24	1.21
S'pore Airlines	6.28	6.15
S'pore Land	2.47	2.44
S'pore Press	6.50	6.45
S Steamship	0.96	0.92
St Trading	2.30	2.27
UOB	3.30	3.28
United Overseas	0.945	0.89

Straits Times Ind Index : 628.43
Previous : 616.56

Stockholm

	Close	Prev.
AGA	184	189
Alfa Laval	365	367
Asea	365	366
Astra	570	575
Atlas Copco	213	216
Beijer	165	170
Boliden	N.Q.	—
Electrolux	279	281
Ericsson	264	266
Esselte	570	570
Fermenta	N.Q.	171
Handelsbanken	348	345
Pharmacia	216	215
Saab-Scania	850	N.Q.
Sandvik	850	838
Skanska	145	144
SKF	338	338
SwedishMatch	330	336
Volvo	418	415

Affaersvaerlden Index : 629.00
Previous : 626.60

Sydney

	Close	Prev.
ACI	3.60	3.60
ANZ	5.46	5.50
BHP	8.60	8.40
Boral	4.65	4.25
Bougainville	2.56	2.55
Coles Myer	5.70	5.74
Comalco	2.20	2.15
CRA	6.10	6.20
CSR	3.15	3.30
Dunlop	3.65	3.70
Elders Ixl	4.42	4.35
ICI Australia	2.67	2.70
Magellan	1.10	1.10
MIM	2.20	2.25
Nat Aust Bank	5.86	5.90
News Corp	22.50	22.20
N Broken Hill	1.88	1.85
Poseidon	2.70	2.70
Qld Coal Trust	1.46	1.45
Santos	3.82	3.75
Thomas Nation	3.42	3.42
Western Mining	3.15	3.06
Westpac Banking	5.24	5.24
Woodside	0.94	0.95

All Ordinaries Index : 1208.70
Previous : 1204.60

Tokyo

	Close	Prev.
Akai	391	396
Asahi Chemical	847	867
Asahi Glass	1210	1230
Bank of Tokyo	791	792
Bridgestone	741	738
Canon	1030	1040
Casio	1640	1640
C.Itoh	446	445
Dai Nippon Print	1920	1980
Daiwa House	1500	1450
Daiwa Securities	1470	1480
Fanuc	6850	6860
Fuji Bank	1490	1470
Fuji Photo	2300	2380
Fujitsu	979	984
Hitachi	881	888
Hitachi Cable	909	910
Honda	1170	1180
Japan Air Lines	N.A.	—
Kajima	N.A.	—
Kansai Power	2340	2300
Kawasaki Steel	157	157
Kirin Brewery	1330	1330
Komatsu	480	478
Kubota	345	340
Kyocera	4280	4480
Matsu Elec Inds	1490	1530
Matsu Elec Works	1440	1410
Mitsubishi Bank	1480	1460
Mitsubishi Chem	734	742
Mitsubishi Elec	355	351
Mitsubishi Heavy	346	387
Mitsubishi Corp	748	744
Mitsui and Co	446	445
Mitsukoshi	1060	1080
Mitsumi	1130	1190
NEC	N.A.	—
NGK Insulators	N.A.	—
Nikko Sec	1020	1030
Nippon Kogaku	1060	1100
Nippon Oil	1148	1170
Nippon Steel	165	165
Nippon Yusen	404	400
Nissan	556	551
Nomura Sec	2040	2020
Olympus	1320	1280
Pioneer	2400	2400
Ricoh	918	938
Sharp	981	996
Shimazu	1070	1100
Shinetsu Chemical	1180	1220
Sony	3540	3400
Sumitomo Bank	1840	1830
Sumitomo Chem	366	362
Sumitomo Marine	910	895
Sumitomo Metal	140	140
Taisei Corp	520	495
Taisho Marine	740	732
Takeda Chem	1590	1610
TDK	4010	4050
Teijin	512	519
Tokio Marine	1280	1200
Tokyo Elec. Power	3930	3840
Toppan Printing	1740	1780
Toray Ind	562	545
Toshiba	411	411
Toyota	1490	1480
Yamaichi Sec	1020	1020

Nikkei 225 : 16467.25
Previous : 16497.49
New Index : 1303.85
Previous : 1278.98

Zurich

	Close	Prev.
Adia	6300	6500
Alusuisse	705	720
Autophon	7900	7850
Bank Leu	3400	3600
Brown Boveri	1875	1890
Ciba Geigy	3500	3525
Credit Suisse	3785	3780
Electrowatt	3525	3525
Interdiscount	4850	4900
Jacob Suchard	7725	7700
Jelmoli	3125	3125
Landis Gyr	1900	1980
Moevenpick	6400	6500
Nestle	8390	8380
Oerlikon-B	1840	1870
Roche Baby	11200	11225
Sandoz	1785	1930
Schindler	3950	3975
Sulzer	625	619
Surveillance	6250	6100
Swissair	1625	1620
SBC	560	562
Swiss Reinsurance	3345	3350
Swiss Volksbank	2540	2550
Union Bank	5600	5600
Winterthur	7400	7400
Zurich Ins	3550	3540

SBC Index : 646.70
Previous : 644.50

N.Q.: not quoted; N.A.: not available; xd: ex-dividend.

Toronto *May 26*

Canadian stocks via AP

Sales	Stock	High	Low	Close	Chg.
12914	Abti Prce	$24¾	24½	24½	− ¼
16	Acklands	$20½	20½	20½	− ⅛
1900	Agnico E	$20¾	20⅝	20⅝	− ⅛
5220	Agra Ind A	$15⅝	15¼	15½	− ⅛
10108	Alt Energy	$13	12⅝	12⅞	− ⅛
32600	Alta Nat	$13½	13⅛	13⅛	− ⅜
1536	Algoma St	$15⅝	15	15⅛	− ⅝
6136	A Barick o	$13¼	13⅛	13⅛	
6000	Atco I f	$8⅝	8½	8⅝	− ⅛
5047	BCED	$5¾	5¼	5¾	+ ⅛
2950	BP Canada	$29¾	29¾	29¾	
17919	Bank BC	340	335	335	
33945	Bank N S	$14⅝	14¼	14¼	
14300	Baton	$24⅛	24	24	
1622	Bonanza R	185	175	175	− 1
2680	Bralorne	160	150	160	+ 5
1995	Bramalea	$20⅝	20¼	20⅜	+ ½
100	Brenda M	$8⅝	8⅝	8⅝	+ ¼
76695	BCFP	$12⅝	12½	12½	− ⅛
6130	BC Res	138	133	138	+ 3
14798	BC Phone	$28¼	27¾	27¾	− ⅜
700	Brunswk	$13	12¾	13	
550	Budd Can	$36¼	36¼	36¼	− ¼
13708	CAE	$22½	22¼	22½	
400	CCL A	$18	18	18	− ¼
72784	CCL B f	$18½	17¾	18½	+ ¾
1800	Cad Frv	$19¾	19½	19½	− ¼
4900	Campeau f	$28⅝	28	28½	− ⅛
924	C Nor West	$16¼	16	16¼	+ ¼
4215	C Packrs	$41½	41	41½	− ¼
600	Can Trust	$54¾	54	54	− ½
50	CGE	$105¼	105¼	105¼	− ¾
760679	CI Bk Com	$19	18⅝	18½	− ½
55319	CTire A f	$15½	15¼	15¼	− ⅛
200	C Util B	$19⅛	19⅛	19⅛	
2267	Cara	$30¼	29⅝	30¼	+ ⅜
1402	Celanese	$17¼	17	17⅛	− ⅛
19856	Cenrl Tr	$20⅝	20½	20½	− ⅛
126170	Cineplex	$22¼	21⅛	22¼	+ ¾
3850	C Distb A	$8⅜	8	8	
4950	CDistb B f	$8	7⅞	8	
5900	CTL Bank	$10	9¾	9⅞	− ⅛
1000	Conwest A	$8¾	8⅝	8¾	+ ¼
500	Coseka R	130	130	130	− 3
7400	Conran A	$17¼	16¾	17¼	+ ½
1520	Crownx	$31⅝	31½	31½	− ¼
3600	Czar Res	144	140	144	+ 4
3725	Denison A p	$8	7⅞	8	+ ⅜
6700	Denison B f	$7⅞	7½	7⅞	+ ⅜
3430	Develcon	345	345	345	− 15
200	Dickman A f	57	6⅞	7	+ ⅜
28722	Dofasco	$30¼	29¾	30¼	+ ½
27050	Donohue	$26	25⅝	25⅝	− ⅜
28627	Du Pont A	$34½	34	34½	+ ½
185150	Dylex A	$15⅝	15⅜	15⅝	+ ⅜
2150	Elcthom X	$12½	11¾	12	− ¾
1085	Emco	$30⅝	30⅜	30⅜	+ ½
6400	Equity Svr	440	430	430	− 15
3400	FCA Intl	$18	17⅞	17⅞	
1777	C Falcon C	$19	18⅝	18⅝	− ¼
4890	Ficnbridge	$20⅞	20⅜	20⅞	+ ⅛
30700	Fed Ind A	$15⅝	15¾	15⅝	
3700	F City Fin	$13⅝	13	13⅝	+ ⅝
1400	Gandls A	$22⅝	22	22	
75700	Geac Comp	$5⅛	5	5⅛	
5700	Gibraltar	$9⅞	9¾	9¾	
2500	Goldcorp f	$6⅝	6½	6½	− ⅛
100	Goodyear	$42½	42½	42½	+ ¼
100	Graft G	$18½	18½	18½	
14448	GL Forest	$22½	21¾	22½	+ ½
6000	Gt Pacific	$40	40	40	+ 1
2020	Greyhnd	$29⅝	29½	29½	− ¼
100	H Group A	$5¾	5¾	5¾	− ⅛
2800	Hawker	$30⅜	30	30⅜	+ ½
32688	Hayes D	$15½	15¼	15½	
7800	Hees Intl	$35	34½	34½	− ¼
225	Hollinger I	$25	24⅝	24⅝	− ⅜
11706	H Bay Co	$30⅝	30½	30⅝	− ⅛
36710	Imasco	$33⅝	33	33⅛	− ¼
4050	Indal	$15¼	14⅞	15	+ ⅛
100	Inglis	$25	25	25	
1880	Inland Gas	$12	12	12	+ ⅛
1450	I Corona o	$20⅝	20⅜	20⅜	− ¼
18075	Intl Thom	$10⅝	10⅜	10⅜	
6440	Inter Pipe	$44¼	44	44	− ⅛
1977	Jannock	$28½	28⅜	28½	+ ⅜
25200	Kelsey H	$25⅝	25½	25½	+ ¼
60	Kerr Add	$16	16	16	− ¼
2078	Labatt	$46½	46¼	46⅜	
2450	Lacana	$7⅝	7⅜	7⅜	+ ⅛
1320	LOnt Cem	$25½	25¼	25¼	
10970	Loblaw Co	$13⅜	13⅛	13⅜	+ ⅜
6600	Lumonics	$15½	15⅛	15⅛	+ ⅛
86752	Magna A f	$30⅛	29¾	30⅛	+ ¼
10800	MICC	$6⅛	6	6⅛	+ ⅛
4801	Mclan H X	$18⅝	18½	18⅝	+ ¼
7338	Maritime f	$16⅛	15⅞	15⅞	− ⅛
9200	Merland E	200	197	197	+ 2
16364	Molson A f	$27¼	26¾	27¼	+ ⅜
1252	Molson B	$27	26¾	27	
1870	Nabisco L	$43⅞	43	43¼	+ ¼
21524	Noranda	$17⅞	17⅝	17⅝	− ⅛
4726	Norcen	$13⅝	13½	13⅝	
100492	Nva AltA f	485	470	475	
1100	Nowsco W	$11¾	11¾	11¾	
10937	NuWst sp A	33	29	33	+ 3
200	Oakwood	415	415	415	+ 15
11800	Omnibus o	385	380	385	− 5
10306	Oshawa A f	$45½	44¾	45¼	+ ½
22150	Pac W Airln	$15	14⅞	14⅞	
500	Pamour	$10½	10	10	− ½
4850	PanCan P	$28⅛	28	28	
1350	Pine Point	$9⅞	9½	9⅞	+ ⅛
21400	Placer	$22½	22⅛	22⅛	− ⅛
6800	Que Sturg o	$5⅜	5	5	− ⅜
500	Rayrock f	$6⅛	6⅛	6⅛	+ ⅛
3150	Redpath	$25¼	24⅞	25¼	+ ⅜
50607	ReedSt I Sp	$54½	54	54½	+ ¼
940	Rogers A	$20¾	20⅝	20¾	+ ⅛
2200	Roman	$10⅝	10¼	10½	+ ⅜
300	Rothman	$38⅝	38¼	38⅝	− ⅛
1700	Sceptre	280	275	[illegible]	+ 10
15200	Scotts f	$39¼	39	39¼	+ ¼
75180	Sears Can	$15¼	15	15⅛	
12210	Selkirk A f	$25¼	25	25	− ⅜
22470	Shell Can	$24¼	24	24⅛	− ⅛
12865	Sherritt	$6⅜	6⅛	6⅛	− ⅛
1000	Slater B f	$15½	15½	15½	
25525	Southam	$25¼	25	25¼	+ ½
5665	Spar Aero f	$28¼	27⅞	28¼	+ ⅜
60604	Stelco A	$26⅜	25⅝	26	− ⅜
5122	Sulpetro	50	45	50	+ 5
82	Teck Cor A	$22	22	22	
6102	Teck B f	$21⅞	21⅝	21⅝	
6990	Tex Can	$28⅝	28⅛	28⅝	+ ⅜
8425	Thom N A	$30	29¾	30	+ ⅛
74314	Tor Dm Bk	$23⅞	23⅛	23⅝	− ⅛
49475	Torstar B f	$30⅝	30⅛	30¼	− ⅛
642	Traders A f	$49	48	48	
560	Trns Mt	$11¾	11⅛	11¾	+ ⅛
1000	Trinity Res	51	51	51	
103112	TrnAlta UA	$28⅝	28½	28⅝	+ ⅛
97655	TrCan PL	$18¾	17⅞	18⅜	+ ⅜
13247	Trimac	230	225	230	
5445	Trilon A	$34½	34	34½	+ ⅜
1100	Trizec A f	$39½	39½	39½	+ ¼
21700	Turbo	49	46½	49	+ 1
31150	Unicorp A f	$10½	10⅜	10⅜	− ⅛
150	Un Carbid	$16½	16¼	16¼	
2201	U Enterise	$12¾	12⅝	12⅝	+ ⅛
500	U Keno	$7¼	7¼	[illegible]	[illegible]
10501	Versil A f	325	305	310	− 10
100	Vestgron	104	104	104	− 2
3900	Wardair	$16⅞	16¾	16¾	− ⅛
500	Westmin	$7⅞	7¾	7¾	+ ⅛
9860	Weston	$33¼	33¼	33¼	
4203	Woodwd A	$7¾	7¾	7¾	

Total sales 13,785,770 shares

TSE 300 Index:	Close	Previous
	1,458.44	1,446.29

Montreal *May 26*

Sales	Stock	High	Low	Close	Chg.
28836	Bank Mont	$32⅞	32⅜	32⅝	+ ¼
1900	BombrdrA	$21⅝	21½	21½	− ⅜
5100	BombrdrB	$20¾	20⅝	20⅝	− ¼
20600	CB Pak	$25⅝	25⅜	25⅝	+ ⅛
57445	Cascades	$12⅝	12½	12⅝	
200	CIL	$31¾	31⅝	31¾	+ ¼
7710	ConBath	$24	23⅝	23⅞	− ⅜
6088	DomTxtA	$23¼	23	23	
10678	Gaz Metro	$12¼	12	12¼	+ ⅛
1150	MntTrst	$26⅞	26½	26⅝	− ⅜
13842	NatBk Cda	$28¾	28½	28⅝	
128625	Power Corp	$37	36¾	37	+ ⅛
11690	Provigo	$19⅝	19⅜	19⅝	+ ¼
1725	RollandA	$30½	30⅜	[illegible]	
20392	Royal Bank	$32	31⅞	31⅞	− ⅛
3813	RoyTrstco	$33	32¾	33	+ ¼
2475	SteinbrgA	$45	44¾	44⅞	+ ¼

Total Sales 2,340,796 shares.

Industrials Index:	Close	Previous
	3,054.40	3,047.30

FUTURES AND OPTIONS
IN THE IHT EVERY TUESDAY.
UP-TO-DATE ANALYSIS OF TRENDS IN THE COMMODITIES AND FUTURES MARKETS — WORLDWIDE

SPORTS

[A] Time to Cheer, a Time to Cry

[A]s World Cup Begins, Heysel Should Be Remembered

International Herald Tribune

ROB HUGHES

[L]ONDON — Half a week to go, and any true soccer [fan] sees the World Cup approaching through one [eye l]aughing, the other crying.

[Th]ere is time to hope that the finest of 40 million [play]ers will overcome the handicaps of Mexico and [show] something of the game's hypnotic beauty.

[Bu]t, before the kickoff Saturday, we cannot in [cons]cience ignore the anniversary Thursday of the [Hey]el disaster in Belgium. Most of the 39 who died [there] were from Italy, which opens this World Cup as [d]efending champion.

[He]ysel has placed a burden on those in Mexico of [cap]turing the spirit of sportsmanship. That, in the [com]mercial 1980s, is almost asking the impossible.

[It] is rare indeed for this column to side with João [Have]lange, the president of FIFA, the world soccer [feder]ation. But his personal message of his 70th birth[day i]s exactly right:

"[T]his World Cup," he said, "is the most important [in his]tory as well as the most open because the public [want]s to see the best to stay in love with the game."

[Ye]s, oh yes. But FIFA sold out to its friends in

[W]e cannot in conscience ignore [th]e anniversary Thursday of the [di]saster in Belgium.

[Telev]isa and, because there is greater profit in timing [gam]es to suit European audiences, expects the best [to go] grilling players under the mid-day sun.

[The]re is poison in Mexico City's air at the best of [times]. High noon is the worst of times. The goose is [cooke]d, and the teams must make of it what they can. [Ital]y versus Bulgaria hardly will be an ideal curtain-[raiser]. The Italians, while displaying enough Latin [flair t]o deserve the trophy four years ago, were [numer]o uno bad guys, earning 11 yellow cards in seven [gam]es.

[Th]e Bulgarians meet thuggery with thuggery. They [migh]t appear to have kicked the violent habits that [kick]ed Pele out of the 1966 World Cup. A year ago [the B]ulgarian government ordered CSKA Sofia and [Lev]i Spartak to be disbanded following an atrocious [final] in Sofia. The teams soon reformed under pseud[onym]s and the national 11 took part in exchanging 92 [fouls] during a World Cup qualifier against [Yugo]slavia.

[Me]anwhile, a ghostly figure hovers over Aztec Sta[dium], where the last of this year's cup matches will be [playe]d. Paolo Rossi, landed when his goals won the [last c]up, is back.

[Ital]y's critics see in Rossi a talisman at best, at worst [a play]er cast off by Juventus and AC Milan as a spent [goal s]corer. At 29, he appears skeletally frail, Italy's [... H]is knees, they say, are gone; his acclimatization [is slo]wer than most. Rossi was ever thus: a Tuscany [child] of parental ambition who was committed to [footba]ll at 10, courted with money at 15 and literally [...]kneed by 18 after three operations to remove [cartila]ge.

[The] Italian team manager, Enzo Bearzot, looks not [at fou]r years of decline but at the Rossi who was [hauled] out of the mental and physical waste of his [two-ye]ar ban for alleged bribery to score three goals [(right] foot, left foot and head) against Brazil in 1982.

"[We] need Rossi, or someone like him, to explode in [the bo]x," said Bearzot. Rossi may not be capable of [playing] 90 minutes flat out, but who will be in the heat, [humid]ity and altitude? The winners will not be ath[letes w]ho at sea level run all day but the explosive [players] who can score when others might never see the [ball].

[Bear]zot is not alone in gambling. Argentina clings [to Ma]radona knowing that his crippled knee cries out [for sur]gery; West Germany goes into a second World [Cup w]ith Karl-Heinz Rummenigge unfit. Brazil's ag[ing Zic]o is almost certain to miss the crucial game with [...]. And England's captain, Bryan Robson, cannot [play w]ithout a shoulder harness.

[Wick]ed selections? These are vulnerable but extraor[dinary] players who can change the course of a World [Cup in] minutes. They can, if need be, sit on the bench [while o]thers run to exhaustion, then come on for the [last ha]lf-hour, which produced 43 of the 95 goals in the [last W]orld Cup in Mexico.

[Whe]re the air is so alien, where aching is compound[ed by h]ome crowd fanaticism, by mounting fears for security and by a suspicion that the earth itself might move, can managers be blamed for trusting in old saviors?

If we are to see the best of anything it could be substitutions. The poignant moment Saturday could be Rossi coming on to put a shot past Borislav Mihailov, a volatile goalie given amnesty from a life ban.

Confrontation will be fleeting. Latin Americans win very time in South and Central America. The dice are so heavily stacked in favor of their skills and Latin temperament that it would not be surprising if Mexico joins the big three of Brazil, Argentina and Uruguay in the semifinals. No one has fathomed how Mexico managed to draw the easiest first round imaginable.

No Mexican has lost eight pounds (3.6 kilograms) in a training session, as English goalkeeper Peter Shilton did Monday. No Mexican is likely to fall to the intestinal maladies that for five days had laid low Argentina's fierce defender, Daniel Passarella, and was getting to half the Belgians. No Mexican has shot an own-goal equivalent to that of the striking Portuguese, who were demanding higher bonuses before they trained.

Poor devils. They saw themselves not among the privileged but as underpaid serfs in a tournament insured of making a profit of $33 million.

Alas, we cannot begin to assess value for money without enduring Thursday. English guilt over the deaths at Heysel has not eased with the overpowering policing that has stemmed, but not obliterated, hooliganism.

Late last week TV Eye, a Thames television documentary program, brought to the screen two youths and two men identified as having been in the thick of the fighting before the stadium wall collapsed at Heysel. They are among 34 persons awaiting extradition to Belgium to face charges of involuntary manslaughter.

The four admitted to fighting. They pled self defense, and could not see that their actions were responsible for what followed. Most sickening was the stoney lack of remorse. One felt outraged at having been kept waiting a year before knowing his fate; one regretted that he might be in prison when his wife gives birth to their second child; one insisted he was fighting but not to kill; one felt sorry for himself because what he had done in the heat of the moment cost him his job.

"They called me a murderer," he said with disbelief.

In despair I switched channels, caught the end of the news and saw another Liverpudlian soccer fan who had just walked 12 months and 5,000 miles to Mexico.

David Ward, 35, had taken nine million steps to rise £150,000 ($100,000) for bone marrow patients. He cannot afford the rip-off prices being charged to watch the soccer matches.

Something seemed appallingly odd about this proud, decent Englishman, clad in Union Jack shorts, being unable to enter a stadium when so many are so often there for the "aggro," the violence. Television should make a film about him.

Paul Benoit/The Associated Press

Rodney McCray of the Rockets tried approaching the basket from behind, but still found Larry Bird in his way. The Celtics won for the 48th time in Boston Garden this season.

Celtic Defense Stops Rockets, 112-100, in Opener of NBA Final

By Sam Goldaper

New York Times Service

BOSTON — Without Ralph Sampson, the Houston Rockets held their own Monday night. Without Akeem Olajuwon, they were overwhelmed by the Boston Celtics, 112-100, in the opening game of the National Basketball Association's title series.

It was Celtics' 48th victory in 49 games in Boston Garden this season. The second game of the best-of-seven final was to be played there Thursday night.

The saga of the Rockets' "twin towers" began to evolve when the 7-foot-4 (2.23-meter) Sampson picked up his third foul with 7 minutes 15 seconds left in the first quarter and Boston ahead by 12-9. He did not play again that half.

The Rockets did not miss Sampson, as the 7-foot Olajuwon took over. Although Kevin McHale, Bill Walton, Greg Kite and Robert Parish each took a try at guarding him, Olajuwon scored 25 of his 33 points to keep Houston in contention. With Rodney McCray and Robert Reid adding 22 points, Houston trailed by only 61-59 at halftime.

But by the end of the third period, the Celtics had extended their advantage to 91-76. Part of the reason was that they had started to double-team Olajuwon. But the turning point came when Olajuwon picked up two fouls in about half a minute, bringing his total to five, with 6:24 left in that quarter.

McHale made two free throws to give the Celtics a 79-72 lead and Olajuwon went to the bench for the rest of the period. The question now was whether Sampson would take over.

The answer was no. The Celtics' advantage grew to 21 points. Sampson, who missed his first nine shots in the game, did not score until only 3:45 remained in the third period. It was to be his only basket in 13 attempts, his only two points.

Olajuwon returned in the final period, scoring only three more points before his coach, Bill Fitch, removed him with 3:45 to play and Boston ahead, 108-91. Olajuwon made only half of his six shots in the second half.

"They are so big and strong inside, the idea was not to be intimidated by them and we weren't," said McHale, who had 21 points.

The Celtics, who can beat teams so many ways, used their full arsenal. In the first half, it was their inside game of Larry Bird, McHale and Parish, who scored 12 of his 23 points in the second quarter. In the second half, Dennis Johnson and Danny Ainge, who were struggling with their outside shooting, found the range, accounting for 22 of Boston's 30 points in the third quarter.

But perhaps the Celtics' most potent second-half weapon was their defense, which limited the Rockets to 41 points, 17 in the third quarter when the Celtics broke open the game with 53-percent shooting.

Canadien Celebration Becomes Riot by Fans

The Associated Press

MONTREAL — An estimated 500,000 people turned out Monday to cheer the Montreal Canadiens as they brought home the Stanley Cup for the first time in seven years. But some boisterous fans mobbed the hockey heroes, overturned cars and looted stores on downtown Ste. Catherine Street.

Defenseman John Kordic needed three stitches to close a cut on his right elbow, inflicted as the crowd converged on his car. Team officials said each of the convertibles carrying the players was damaged.

A spokesman for a merchants' association estimated losses at about $2 million and said the merchants planned to sue for damages.

Rookie Joyner Hits 16th Home Run, Rallying Angels Past Yankees in 9th

Compiled by Our Staff From Dispatches

NEW YORK — Rookie Wally Joyner helped the California Angels leave Yankee Stadium on Monday night a happier team, hitting his major league-leading 16th homer, a two-run shot with two out in the ninth inning, to give the Angels an 8-7 victory.

That ended their five-game losing streak and the Yankees' five-game winning streak.

"This takes a lot of the sting out of an ugly four days," said the Angels' manager, Gene Mauch.

Relief pitcher Dave Righetti had retired the first two California batters in the ninth on two pitches. But Brian Downing singled and Joyner fouled off the next pitch before homering into the right-field seats.

BASEBALL ROUNDUP

Red Sox 5, Indians 3: In Cleveland, Don Baylor hit a two-run homer and Bill Buckner a solo shot as Boston won for the eighth time in its last nine games.

Twins 9, Blue Jays 1: In Minneapolis, Kent Hrbek hit two homers and Mark Portugal pitched eight strong innings against Toronto to end his seven-game losing streak.

Tigers 5, A's 4: In Detroit, Dave Collins doubled in the ninth to set up a tying two-run rally and in the 10th singled home the winning run against Oakland.

Mariners 7, Orioles 6: In Seattle, Harold Reynolds, batting just .167 since being recalled from the minors two weeks ago, doubled twice, drove in three runs and stole two bases to help end Baltimore's five-game winning streak.

Brewers 4, Royals 0: In Kansas City, Missouri, Danny Darwin pitched a four-hitter in his first start this season after 12 relief appearances. He had been 1-6 lifetime against the Royals and in his last start, against them, he gave up three homers and seven runs in three innings.

Rangers 7, White Sox 2: In Arlington, Texas, Pete Incaviglia drove in three runs with a homer and triple and Gary Ward drove in three with a single and double.

Astros 4, Cardinals 1: In the National League, in St. Louis, Jim Deshaies won his first major-league game, striking out 10. Denny Walling drove in two runs for Houston with a grounder and a single.

Braves 9, Pirates 4: In Pittsburgh, Ted Simmons hit a tie-breaking sacrifice fly and Dale Murphy a two-run single as Atlanta turned four eighth-inning errors by the Pirates into five runs.

Cubs 9, Reds 6: In Chicago, Jody Davis homered with two on and pitcher Dennis Eckersley homered with one on to help end Cincinnati's four-game winning streak.

Padres 9, Expos 6: In Montreal, Kevin McReynolds drove in three runs with a triple and a two-run single and Graig Nettles and Steve Garvey hit consecutive home runs in the ninth for San Diego.

(AP, UPI)

Lionel Cironneau/The Associated Press

William Ayache of the French team went down Sunday with a strained thigh.

Navratilova Wins; Nystrom Is Upset

The Associated Press

PARIS — Three of the men's top seeds departed the French Open tennis tournament Tuesday while Martina Navratilova, the top-seeded woman, easily defeated Sandra Cecchini of Italy.

Navratilova took just an hour to beat Cecchini, 6-3, 6-3. So overwhelming was Navratilova that, when she missed a shot, Cecchini muttered, "She's not a god."

Joakim Nystrom, the men's No. 6 seed from Sweden, lost to Paul McNamee of Australia, 1-6, 6-3, 6-2, 6-0, and Heinze Gunthardt of Switzerland, No. 16, fell to Damir Keretic of West Germany, 4-6, 6-3, 4-6, 7-6 (9-7), 8-6.

Jimmy Arias, at No. 15 one of just two U.S. seeds in the men's singles, withdrew before his first-round match because of a badly sprained right ankle.

"I hoped that if it rained today, it would give me more time to rest," he said. "But rain for a week wouldn't have saved me."

The defending champion and No. 2 seed, Mats Wilander of Sweden, defeated Ricardo Acuna of Chile, 6-0, 4-6, 6-1, 6-1. Yannick Noah, the No. 4 seed, took almost four hours to beat fellow Frenchman Tarik Benhabiles, 6-3, 6-4, 6-7 (3-7), 6-7 (8-10), 6-4. Two other Frenchman, No. 8 Henri Leconte and No. 10 Thierry Tulasne, advanced with Leconte beating David De Miguel of Spain, 6-3, 6-1, 6-3, and Tulasne ousting Francesco Cancellotti of Italy, 4-6, 6-4, 5-7, 6-2, 6-4.

Anders Jarryd of Sweden, No. 7, beat Bud Schultz of the United States, 6-1, 6-3, 6-1. Andres Gomez of Ecuador, No. 9, beat Glenn Michita of Canada, 6-3, 3-6, 7-5, 6-3.

Hana Mandlikova, the women's No. 5 seed, struggled by Sabrina Goles of Yugoslavia, 6-7 (7-5), 6-3, 6-3, but Anne White of the United States, No. 15, fell to Laura Gildemeister of Peru, 6-1, 6-3. Fourth-seeded Claudia Kohde-Kilsch of West Germany beat Lori McNeil of the United States, 6-4, 6-1.

Noah served 16 aces and, fittingly, won with an ace as the fans stood and applauded through the closing moments of the clay-court marathon at Roland Garros.

"I played too loose and he started coming back," said Noah, who had been serving at 3-0 in the third set after winning the first two.

Nystrom, who has won five tournaments this season, said he "felt tired" against McNamee, but added, "Now I have two weeks off at least."

[S]COREBOARD

Baseball

[Mon]day's Major League Line Scores

AMERICAN LEAGUE

[illegible]	101 200 010—5 9 1
[illegible]d	000 020 100—3 9 0

[...] Lollar (7), Stewart (8), Sambito (8), [...](8) and Sullivan; Candiotti, Easterly [...]r (8) and Allanson. Bando (8). W—[...]3. L—Candiotti, 3-5. Sv—Stanley (8). [HRs—Bo]ston, Buckner (4), Baylor (9).

[Californi]a	010 005 002—8 12 0
[New Yor]k	301 000 210—7 11 0

[...]orster (9) and Boone; Niekro, Hol[...], Fisher (6), Shirley (6), Righetti (9) [...]egor. W—Witt, 4-4. L—Righetti, 4-2. [HRs—Ca]lifornia, Joyner (16), Hendrick (6). [New Yor]k, Easler (3), Hassey (2).

[illegible]	001 000 300 0—4 8 0
[illegible]	000 010 012 1—5 9 0

[...]r, Plunk (2), Mooneyham (5), Onti[veros] [...]). Howell (8) and Bathe; Tanana, King (8), Hernandez (9) and Parrish. W—Hernandez, 2-2. L—Howell, 0-4. HR—Detroit, Coles (6).

Toronto	000 000 001—1 9 0
Minnesota	001 020 42x—9 13 0

Alexander, Acker (7), Caudill (8) and Whitt; Portugal, Atherton (9) and Reed. W—Portugal, 1-5. L—Alexander, 3-2. HRs—Toronto, Barfield (10). Minnesota, Puckett (14), Hrbek 2 (9).

Baltimore	000 001 401—6 15 1
Seattle	003 202 00x—7 10 2

Davis, Snell (6) and Dempsey; Langston, Ladd (7), Young (7) and Kearney. W—Langston, 3-4. L—Davis, 4-3. Sv—Young (1). HRs—Seattle, Presley (6). Baltimore, Dempsey (6).

Milwaukee	100 300 000—4 11 0
Kansas City	000 000 000—0 4 0

Darwin and Schroeder; Leibrandt, Farr (4), Quisenberry (9) and Sundberg. W—Darwin, 3-1. L—Leibrandt, 4-3.

Chicago	000 011 000—2 9 1
Texas	000 130 30x—7 11 0

Schmidt, Allen (5), Clark (6) and Fisk; Guzman, Harris (6) and Mercado. W—Guzman, 4-5. L—Schmidt, 0-2. Sv—Harris (7). HRs—Texas, Incaviglia (9).

NATIONAL LEAGUE

Atlanta	000 002 151—9 8 0
Pittsburgh	002 100 000—4 7 6

Johnson, McMurtry (6), Assenmacher (7), Garber (8) and Virgil; Rhoden, Walk (8), Clements (8), Guante (8) and Pena. W—Assenmacher, 2-1. L—Walk, 2-1. HRs—Atlanta, Virgil (6). Pittsburgh, Reynolds (4), Pena (2).

Cincinnati	050 000 001—6 8 0
Chicago	504 000 00x—9 9 0

Terry, Price (3), Power (7) and Diaz; Eckersley, Frazier (8), Smith (8) and Davis. W—Eckersley, 2-2. L—Terry, 0-1. Sv—Smith (7). HRs—Cincinnati, Parker (10). Chicago, Davis (8), Eckersley (2).

Houston	000 220 000—4 9 0
St.Louis	010 000 000—1 3 1

Deshaies, DiPino (8) and Bailey; Forsch, Perry (5), Bargar (9) and Heath. W—Deshaies, 1-1. L—Forsch, 3-3. Sv—DiPino (2).

San Diego	230 200 002—9 12 2
Montreal	140 000 010—6 9 1

Dravecky and Kennedy; Tibbs, Roberge (2), Parrett (3), McGaffigan (7), Burke (9) and Bilardello, Fitzgerald (7). W—Dravecky, 5-3. L—Parrett, 0-1. HRs—San Diego, Nettles (8), Garvey (10). Montreal, Dawson (9), Raines (4).

Major League Standings

AMERICAN LEAGUE

East Division

	W	L	Pct.	GB
Boston	29	14	.674	—
New York	28	16	.636	1½
Baltimore	25	17	.595	3½
Milwaukee	22	20	.524	6½
Detroit	21	20	.512	7
Cleveland	22	21	.512	7
Toronto	20	25	.444	10

West Division

	W	L	Pct.	GB
Texas	22	21	.512	—
California	22	22	.500	½
Oakland	21	24	.467	2
Kansas City	20	23	.465	2
Chicago	18	24	.429	3½
Minnesota	17	27	.386	5½
Seattle	16	29	.356	7

NATIONAL LEAGUE

East Division

	W	L	Pct.	GB
New York	27	11	.711	—
Montreal	24	17	.585	4½
Chicago	17	24	.415	11½
St. Louis	16	24	.400	12
Pittsburgh	15	23	.395	12
Philadelphia	15	24	.385	12½

West Division

	W	L	Pct.	GB
Houston	24	18	.571	—
San Francisco	24	19	.558	½
Atlanta	23	20	.535	1½
San Diego	23	20	.535	1½
Los Angeles	22	22	.500	3
Cincinnati	16	24	.400	7

Basketball

Finals

MONDAY'S RESULT

Game 1 (At Boston)

HOUSTON

FG M-A	FT M-A	Reb	A	PF	Pts
10-14	0-1	1	3	2	20
14-23	5-9	12	2	5	33
1-13	0-0	7	2	3	2
2-5	0-0	3	7	1	4
7-15	2-2	5	8	1	16
4-9	0-0	4	1	3	8
3-7	0-0	5	2	3	6
3-6	1-2	0	1	1	8
1-1	0-0	0	1	0	2
0-1	1-2	2	0	0	1
0-1	0-0	0	0	0	0
0-0	0-0	1	0	0	0
		14			
45-95	9-16	54	27	19	100

BOSTON

FG M-A	FT M-A	Reb	A	PF	Pts
8-12	5-8	4	3	3	21
8-18	5-6	8	13	4	21
11-18	1-3	4	1	0	23
6-12	6-10	11	8	1	19
9-16	0-0	3	7	5	18
5-5	0-0	8	3	2	10
0-1	0-0	0	0	1	0
0-0	0-0	1	0	0	0
0-1	0-0	1	0	0	0
0-1	0-0	0	0	1	0
		8			
47-84	17-27	59	35	17	112

[Houston]	28 31 17 24—100
[Boston]	34 27 30 21—112

[3-P]oint Goals: Leavell, D.Johnson. [Technical]s: Wiggins, Houston illegal defense. [Attendan]ce: 14,890.

CHAMPIONSHIP SCHEDULE

(Best-of-Seven)

[Game 1: Boston 11]2, Houston 100
[...]: Houston at Boston
[...]: Boston at Houston
[...]: Boston at Houston
[...]: Boston at Houston
[...]: Houston at Boston
[...]: Houston at Boston

World Cup Soccer

World Cup Schedule

FIRST ROUND

GROUP A

(Based in Puebla, Mexico)

May 31: Italy vs. Bulgaria
June 2: Argentina vs. South Korea
June 5: Italy vs. Argentina; Bulgaria vs. South Korea
June 10: Italy vs. South Korea; Bulgaria vs. Argentina

GROUP B

(Based in Mexico City)

June 3: Mexico vs. Belgium
June 4: Paraguay vs. Iraq
June 7: Mexico vs. Paraguay
June 8: Belgium vs. Iraq
June 11: Mexico vs. Iraq; Belgium vs. Paraguay

GROUP C

(Based in Leon, Mexico)

June 1: France vs. Canada
June 2: Soviet Union vs. Hungary
June 5: France vs. Soviet Union
June 6: Canada vs. Hungary
June 9: France vs. Hungary; Canada vs. Soviet Union

GROUP D

(Based in Guadalajara, Mexico)

June 1: Brazil vs. Spain
June 3: Algeria vs. Northern Ireland
June 6: Brazil vs. Algeria
June 7: Spain vs. Northern Ireland
June 12: Brazil vs. Northern Ireland; Spain vs. Algeria

GROUP E

(Based in Queretaro, Mexico)

June 4: West Germany vs. Uruguay; Scotland vs. Denmark
June 8: West Germany vs. Scotland; Uruguay vs. Denmark
June 13: West Germany vs. Denmark; Uruguay vs. Scotland

GROUP F

(Based in Monterrey, Mexico)

June 2: Poland vs. Morocco
June 3: Portugal vs. England
June 6: Morocco vs. England
June 7: Poland vs. Portugal
June 11: Morocco vs. Portugal; Poland vs. England

SECOND ROUND

June 15

Game 37 (At Mexico City): Group B winner vs. Group A, C or D 3rd place
Game 38 (At Leon): Group C winner vs. Group A, B or F 3rd place

June 16

Game 39 (At Puebla): Group A winner vs. Group C, D or E 3rd place
Game 40 (At Guadalajara): Group D winner vs. Group B, E or F 3rd place

June 17

Game 41 (At Mexico City): Group A 2nd vs. Group C 2nd
Game 42 (At Monterrey): Group F winner vs. Group E 2nd

June 18

Game 43 (At Mexico City): Group F 2nd vs. Group B 2nd
Game 44 (At Queretaro): Group E winner vs. Group D 2nd

QUARTERFINALS

June 21

Game 45 (At Guadalajara): Game 40 winner vs. Game 41 winner
Game 46 (At Monterrey): Game 42 winner vs. Game 37 winner

June 22

Game 47 (At Mexico City): Game 39 winner vs. Game 43 winner
Game 48 (At Puebla): Game 44 winner vs. Game 38 winner

SEMIFINALS

June 25

(At Guadalajara)

Game 45 winner vs. Game 46 winner

(At Mexico City)

Game 48 winner vs. Game 47 winner

THIRD PLACE

June 28

(At Puebla)

Semifinal losers

CHAMPIONSHIP

June 29

(At Mexico City)

Semifinal winners

World Cup Warmup

(At Toluca, Mexico)

Bulgaria 4, Uruguay 1

Golf Leaders

Statistical leaders on the Professional Golfers Association Tour through the Memorial tournament, which ended May 25:

EARNINGS

	Rds	Money
1. Andy Bean	50	$388,213
2. Greg Norman	44	$357,109
3. Hal Sutton	55	$318,500
4. Calvin Peete	46	$306,498
5. Dan Pohl	43	$298,081
6. John Mahaffey	49	$296,238
7. Payne Stewart	54	$294,452
8. Bernhard Langer	54	$232,390
9. Fuzzy Zoeller	45	$231,953
10. Bob Tway	58	$231,816
11. Tom Watson	45	$214,626

Tennis

French Open

FIRST ROUND

(At Paris)

MEN'S SINGLES

Luiz Mattar, Brazil, def. John Lloyd, Britain, 5-7, 7-5, 6-1, 6-4; Sammy Giammalva, U.S., def. Christian Bergstrom, Sweden, 5-7, 6-1, 6-1, 6-3; Jonathan Canter, U.S., def. Roberto Arguello, Argentina, 6-3, 6-3, 6-3; Hans Gildemeister, Chile, def. Carlos DiLaura, Peru, 6-2, 6-2, 3-6, 6-3; Thierry Pham, France, def. Menno Oosting, the Netherlands, 6-0, 4-6, 6-1, 6-0.

Lawson Duncan, U.S., def. Nduka Odizor, Nigeria, 6-3, 6-7 (5-7), 7-6 (7-5), 6-0; Martin Wostenholme, Canada, def. Stefan Eriksson, Sweden, 6-2, 1-6, 6-0, 6-0; Marko Ostoja, Yugoslavia, def. Jeremy Bates, Britain, 6-2, 6-2, 6-7 (8-7), 1-6, 6-3; Marcel Freeman, U.S., def. Marty Davis, U.S., 4-6, 6-3, 7-6 (7-5), 6-3; Michiel Schapers, Netherlands, def. Claudio Pistolesi, Italy, 7-6, 6-4, 7-5.

Ulf Stenlund, Sweden, def. Andreas Maurer, West Germany, 6-3, 6-1, 6-2; Paul McNamee, Australia, def. Joakim Nystrom (6), Sweden, 1-6, 6-3, 6-2, 6-0; Jakob Hlasek, Switzerland, def. Ramesh Krishnan, India, 1-6, 6-3, 1-6, 7-5, 6-3; Todd Nelson, U.S., def. Christo Steyn, South Africa, 2-6, 3-6, 6-2, 6-3, 6-2; Andres Gomez (9), Ecuador, def. Glenn Michibata, Canada, 6-3, 3-6, 7-5, 6-3.

Kent Carlsson, Sweden, def. Alexander Stepanka, West Germany, 6-1, 6-2, 6-2; Fernando Luna, Spain, def. Peter Lundgren, Sweden, 6-4, 4-6, 7-6 (7-4), 6-2; John Fitzgerald, Austria, def. Peter Doohan, Australia, 3-6, 6-2, 6-0, 4-3 (injury); Sergio Casal, Spain, def. Karel Novacek, Czechoslovakia, 6-3, 4-6, 6-4, 6-2; Guy Forget, France, def. Pablo Arraya, Peru, 6-3, 6-4, 3-6, 7-6 (7-1).

Henri Leconte (8), France, def. David De Miguel, Spain, 6-3, 6-1, 6-3; Cassio Motta, Brazil, def. Mark Woodforde, Australia, 6-4, 6-4, 6-2; Ricki Osterthun, West Germany, def. Eduardo Bengoechea, Argentina, 1-6, 7-6 (7-5), 3-6, 6-4, 6-1; Tomas Smid, Czechoslovakia, def. Hans Schwaier, West Germany, 6-3, 6-4, 4-6, 6-2; Diego Perez, Uruguay, def. Mike De Palmer, U.S., 6-1, 7-6 (7-4), 2-6, 6-2.

Damir Keretic, West Germany, def. Heinz Gunthardt, (16), Switzerland, 4-6, 6-3, 4-6, 7-6 (9-7), 8-6; Nelson Aerts, Brazil, def. Mark Edmondson, Australia, 7-6 (7-4), 6-7 (7-2), 4-6, 6-3, 6-2; Henrik Sundstrom, Sweden, def. Brod Dyke, Australia, 7-5, 7-6, 6-2; Anders Jarryd, (7), Sweden, def. Bud Schultz, Boston, 6-1, 6-3, 6-1; Thomas Muster, Austria, def. Tim Wilkison, U.S., 6-3, 6-4, 6-0.

Miloslav Mecir, Czechoslovakia, Michael Robertson, South Africa, 6-1, 6-1, 6-3; Emilio Sanchez, (14), Spain, def. Todd Witsken, U.S., 1-6, 2-6, 6-2, 6-1, 6-1; Juan Aguilera, Spain, def. Wally Masur, Australia, 1-6, 6-4, 7-6 (7-4), 2-6, 8-6; Andrei Chesnokov, Soviet Union, def. Jonas B. Svensson, Sweden, 6-3, 2-6, 6-4, 6-2; Aaron Krickstein, U.S., def. Thierry Champion, France, 6-2, 6-4, 6-4.

Mats Wilander (2), Sweden, def. Richard Acuna, Chile, 6-0, 4-6, 6-1, 6-1; Yannick Noah (4), France, def. Tarik Benhabiles, France, 6-3, 6-4, 6-7 (3-7), 6-7 (8-10), 6-4; Juan Clavet, Spain, def. Glenn Layendecker, U.S., 4-6, 7-6 (7-5), 6-0, 6-3; T. Van Den Daele, France, def. Claudio Mezzadri, Italy, 7-6, 2-6, 6-4, 7-6; Martin Jaite, Argentina, def. Ronald Agenor, Haiti, 6-1, 3-6, 8-6, 6-2, 6-4; Eric Winsogradsky, France, def. Blaine Willenbourg, U.S., 6-3, 3-6, 6-1, 1-6, 6-3; Claudio Panatta, Italy, def. Libor Pimek, Czechoslovakia, 6-3, 7-5, 6-2; Thierry Tulasne (10), France, def. Francesco Cancellotti, Italy, 4-6, 6-4 5-7, 6-3, 6-4

WOMEN'S SINGLES

Petra Huber, Austria, def. Pascale Paradis, France, 6-1, 6-2; Lilian Drescher, Switzerland, def. Jana Novotna, Czechoslovakia, 6-2, 6-3; Patricia Tarabini, Argentina, def. Sylvia Hanika, West Germany, 3-6, 6-3, 6-4; Nathalie Tauziat, France, def. Sybille Niox-Chateau, France, 5-7, 6-3, 9-7; Claudia Porwik, West Germany, def. Petra Keppeler, West Germany, 6-2, 6-4; Niege Diaz, Brazil, def. Svetlana Parkhomenko, Soviet Union, 3-6, 6-4, 6-3.

Silke Meier, West Germany, def. Isabelle Demongeot, France, 0-6, 6-3, 6-4; Cecilia Fernandez, U.S., def. Tina Mochizuki, U.S., 6-1, 5-7, 6-2; Marcella Mesker, Netherlands, def. Belinda Cordwell, New Zealand, 6-0, 6-0; Laura Garrone, Italy, def. Carina Karlsson, Sweden, 6-2, 6-1; Nathalie Herreman, France, def. Debbie Spence, U.S., 7-5, 6-1; Pam Casale, U.S., def. Candy Reynolds, U.S., 6-0, 3-6, 6-3.

Vicki Nelson-Dunbar, U.S., def. Robin White, U.S., 6-2, 6-3; Tine Scheuer-Larsen, Denmark, def. Kristin Kinney, U.S., 6-0, 6-0; Gigi Fernandez, Puerto Rico, def. Myriam Schropp, West Germany, 6-0, 6-2; Manuela Maleeva (8), Bulgaria, def. Katerina Skronska, Czechoslovakia, 6-1, 6-2; Katarina Maleeva, Bulgaria, def. Terry Holladay, U.S., 6-2, 6-1; Elise Burgin, U.S., def. Marcela Skuherska, Czechoslovakia, 6-1, 6-1.

Jenny Byrne, Australia, def. Yvonne Vermaak, 6-3, 6-3; Claudia Kohde-Kilsch (4), West Germany, def. Lori McNeil, U.S., 6-4, 6-1; Laura Gildemeister, Peru, def. Anne White (15), U.S., 6-1, 6-3; Kathy Rinaldi, (7), U.S., def. Hu Na, U.S., 6-1, 6-3; Melissa Gurney, U.S., def. Janine Thompson, Australia, 7-5, 7-6 (7-4); Susan Sloane, U.S., def. Marian Perez-Roldan, Argentina, 7-6 (7-2), 2-6, 7-5.

Virginia Paquet, France, def. Maria Lindstrom, Sweden, 3-6, 6-4, 6-4; Gretchen Rush, U.S., def. Sophie Amiach, France, 5-7, 6-4, 8-6; Martina Navratilova, (1), U.S., def. Sandra Cecchini, Italy, 6-3, 6-3; Anne Hobbs, Britain, def. Jo Durie, Britain, 6-2, 6-4; Terry Phelps, (16), U.S., def. Betsy Nagelsen, U.S., 6-3, 6-3.

Hana Mandlikova (5), Czechoslovakia, def. Sabrina Goles, Yugoslavia, 6-7 (7-5), 6-3, 6-3; Larissa Savchenko, Soviet Union, def. Eva Pfaff, West Germany, 6-4, 3-6, 9-7; Alexia Dechaume, France, def. Sara Gomer, Britain, 6-2, 6-3; Lisa Bonder, U.S., def. Elna Reinach, South Africa, 6-4, 6-4; Angeliki Kanellopoulous, Greece, def. Patricia Medrado, Brazil, 6-7 (7-4), 6-4, 6-0.

Susan Sloane, U.S., def. Marian Perez-Roldan, Argentina, 7-6 (7-2), 2-6, 7-5; Roz Fairbank, South Africa, def. Corinne Vanier, France, 6-3, 7-5; Mima Jausovec, Yugoslavia, def. Adriana Villagran, Argentina, 6-4, 7-5; Marie-Jo Fernandez, U.S., def. Helen Kelesi, Canada, 7-6, 2-2 (ppd., bad light).

Zina Garrison (10), U.S., def. Gabriela Dinu, Romania, 6-2, 6-3; Raffaella Reggi, Italy, def. Elizabeth Minter, Australia, 6-1, 7-5; Mima Jausovec, Yugoslavia, def. Adriana Villagran, Argentina, 6-4, 7-5; Niruka Sodupe, U.S., def. E. Derly, France, 7-5, 7-5; Regina Marsikova, Czechoslovakia, def. Amy Holton, U.S., 7-6, 7-3, 6-4; Andrea Holikova, Czechoslovakia, def. Beverly Bowes, U.S., 6-0, 6-3.

Transition

BASEBALL

American League

CALIFORNIA—Waived Ken Forsch, pitcher, for the purpose of giving him his unconditional release. Purchased the contract of Chuck Finley, pitcher, from Quad-Cities of the Midwest League.

CLEVELAND—Signed Turner Gill, shortstop, to a contract with Waterloo, Midwest League.

MILWAUKEE—Sent Mike Felder, outfielder, to El Paso, Texas League.

MINNESOTA—Placed Mark Salas, catcher, on the 15-day disabled list. Recalled Jeff Reed, catcher, from Toledo, International League.

SPORTS BRIEFS

Indy 500 Postponed Until Saturday

INDIANAPOLIS (AP) — The Indianapolis 500, the greatest spectacle in raining if not racing, was rained out Monday for the second straight day and rescheduled for Saturday.

The 33 drivers were to be given a 30-minute practice on Friday, but limited to 120 mph (193 kmp), after some complained that it would be unsafe not to let them readjust to 200 mph speeds after a nine-day layoff.

Snow Chief Easily Wins Jersey Derby

CHERRY HILL, New Jersey (NYT) — Snow Chief quickly took the lead Monday and cruised to a two-length victory over Mogambo in the $1 million Jersey Derby. Afterward, the Preakness Stakes winner's handlers said he would be shipped back to California for a rest.

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OBSERVER

Conservative Gourmetism

By Russell Baker

NEW YORK: A conservative looks at cuisines:

JAPANESE: Have to take off your shoes before they let you eat. Then they serve you raw fish. Raw fish? Fine for yuppies and Japanese, but who else eats raw fish? Castaways put off the Bounty by Fletcher Christian with nothing but Captain Bligh and 3,000 miles of water between them and a frying pan.

Many outlandish words on menu could lead to exhausting interrogation of waiter. "What means this, that, these?" etcetera. Alternative: risk being served a plate of octopus. Some people like octopus. Liberals, mostly.

May have to sit on the floor with legs tucked under in painful Buddha position. Sitting more than five minutes in this position may require humiliating assistance from waiters or machinery when you want to stand up.

FRENCH: Remember, the waiters are not trying to insult you. They are just being authentic. If you can't remember what that French word on the menu means, don't order it, because you'll get brains or glandular organs.

Be careful not to order a stiff jolt of gin to start unless you intend to insult the chef. Remember the classic French definition of justifiable homicide: a chef who kills a customer for putting salt in his soup before tasting it.

Fried chicken, barbecued ribs and cole slaw unavailable. Maybe this isn't anti-Americanism in the kitchen, but, as long as the French have had restaurants here, they must know plenty about American cooking.

You think they eat those brains and glandular organs in the privacy of their homes when there's plenty of cole slaw and ribs available at the supermarket?

GREEK: Eggplant. Lamb on a stick.

And what is eggplant? Eggplant is squash. Just like zucchini.

Zucchini!

Fortunately Socrates didn't live to see his countrymen feeding Americans on zucchini's relatives. "I'd rather drink the hemlock," he said.

Though come to think of it, maybe he didn't know it was hemlock. Maybe he thought it was Greek resinated wine.

CHINESE: You like eating gravy with a stick?

You like looking around at other tables, seeing people eating what looks like perfectly tasty food, then trying to identify it on a menu and finding nothing but words like *shoo, moo, pan, gai, tung, tze, mao, shadrach, meshach* and *abednego?*

You like having to sit there like a dummy while a fellow who has his eye on your date says that since you're illiterate in Chinese he will draw on his years with the CIA in China to order for everybody?

RUSSIAN: A point in favor of Russian cuisine, in spite of communism — you can order a stiff jolt of gin to start. Or vodka if you want to enrich the Commies with U. S. exchange.

Since your choice of edible substances will be limited to roots and cabbage, the cook will be happy knowing you're too stupefied to know what's going down. Imagine a whole country eating cabbage three meals a day forever? If you had to make a choice, even Lenin would seem better than another cabbage breakfast, wouldn't he?

The caviar is OK if you get the fancy stuff, which only the richest people on earth can afford, and if you like raw fish eggs. And what kind of world's richest people would squander fortunes on fish eggs? Limousine liberals and radically chic knee-jerk gourmets.

What's this raw fish business all about anyhow? Before yuppies and rich liberals came along, Americans liked their fish, and fish roe too, fried hard as a bulletproof vest and coated in plenty of batter to soak up the grease. Are American eaters getting soft on raw fishism?

NATIVE AMERICAN: At 11:30 P. M. the place is packed with 14-year-olds who've stolen cars to take their ladies to dine on native American cuisine. They're not dangerous, they're just your children. Belly up and order some "fries," chicken, pizza, burgers, all with plenty of grease, and a milkshake made of liquefied plaster.

Make your mouth water? Doesn't it just? It's the good old fodder America loves. Nothing raw but the napkins. Later, about 3 A. M., you'll hear your stomach making the music of America.

New York Times Service

The FBI's Fakes

Its Collection May Bear Famous Signatures

But They're All Forgeries — Evidence of Fraud

By Philip Shenon
New York Times Service

WASHINGTON — A distinguished-looking browser at McIntosh-Drysdale Gallery asked the price of a colorful print by the Spanish Surrealist Joan Miró.

The man seemed to know his art, and he wanted the print, which had been hung alongside works by "Picasso," "Renoir" and "Grant Wood."

To his chagrin, the patron was told by Eleanor Beaton, assistant director of the Washington gallery, that the Miró was not for sale. "It's a phony," she remembered telling the baffled visitor.

With the assistance of the Federal Bureau of Investigation, the gallery has mounted "The FBI Collects," a show of 20 of the finest art fakes in the FBI collection. The show, which runs through June 28, is the first time that the bureau has allowed the phonies to be shown together.

"We want to make the public aware that frauds are out there," said John B. McPhee Jr., an FBI agent who works on art theft cases.

Art forgery has become a big business, McPhee said, and modern artists are obvious targets. Abstract styles are far easier to copy than the works of the great masters. "We've come across problems with Dalí, Miró and Calder," he explained. "Picasso is a problem, too."

McPhee and his partner, Charles T. Spitzer, oversee the FBI national stolen art file, a computerized list of more than 4,000 stolen art works.

The works on display at the gallery once served as evidence in criminal cases. Phony or not, many of the drawings have drawn desirous stares from customers.

"There's a 'Ben Shahn' and a 'Matisse' that I'd rather enjoy hanging in my home," Beaton said. "Actually, we could have sold them all by now."

Not surprisingly, the FBI has rules that prevent courtroom evidence from being sold to the public. "They must stay with the FBI," Beaton said.

The American painter Georgia O'Keeffe is well represented in the show. One wall is taken up with a collection of large lithographs of her work bearing her forged signature.

McPhee said the unauthorized lithographs were made by a nephew of O'Keeffe's husband, the photographer Alfred Stieglitz. "The nephew took one of the books that had her work in it and had the lithographs made," McPhee explained. "She hadn't authorized these things, and she became enraged, which prompted an investigation."

The nephew, who later pleaded guilty to criminal charges, had more than 6,000 lithographs made and planned to sell them for $3,000 a piece, the FBI agent said. "We were able to obtain them all," he said.

Beaton said she had been particularly impressed by a small line drawing of a nude by "Matisse." "It's very characteristic of Matisse," she said. "You'd have to be a professional to know the difference."

The FBI has also contributed an authentic work to the show, a landscape by the Dutch painter Anton Mauve, a distant cousin of Vincent van Gogh.

The 19th-century work, depicting a farmer and his horse-drawn wagon, was used as evidence in a theft case, but its owner was never found. McPhee said that if the owner did not step forward, the work would probably be contributed to the Smithsonian Institution or the National Gallery of Art.

The fakes will face a far less dignified future once the show ends. Some might be used as office decorations at the FBI, and others will be stored in piles of criminal evidence, McPhee said. Whatever the pleas by connoisseurs who appreciate the fakes, he said, "there's no way in the world one of the pieces can be sold."

Among the 20 forged art works in "The FBI Collects" exhibition are a phony drawing of a girl by "Picasso" (top), a "Monet" landscape (right) and a false "Georgia O'Keeffe" (below).

PEOPLE

Long-Lived Villainy

Vincent Price turned 75 Tuesday and says he hopes his upcoming horror film, "From a Whisper to a Scream," will be his last in that genre. "I hope to God it's my swan song," he sighed over a gourmet lunch in a Sunset Strip bistro in Los Angeles. "The scripts I've been getting have been simply awful." Not that he has abandoned villainy. This summer Price stars in Disney's new animated feature, "The Great Mouse Detective," as the voice of Professor Ratigan, criminal extraordinaire. "A delicious villain," Price mused. "He's really a rat, but he likes to think of himself as a large mouse. **Henry Mancini** wrote a couple of songs for me; one of them is 'The World's Greatest Criminal Mind,' which becomes like a **Busby Berkeley** number." Despite 52 years as an actor, Price was willing to audition for the job. "If anyone but Disney had asked me, I would have been offended," he said.

□

Cardinal Jaime Sin of the Philippines was among 12 people to receive honorary degrees Monday at Yale University in New Haven, Connecticut. Other recipients included the singer **Ella Fitzgerald; Daniel Oduber**, the former president of Costa Rica, and **H. J. Polotsky**, professor emeritus of Egyptian and Semitic languages at Hebrew University of Jerusalem. . . . The former French President **Valéry Giscard d'Estaing** received an honorary doctor of laws at Brown University in Providence, Rhode Island, on Monday.

□

Hue Cao, the 11-year-old Vietnamese immigrant who won a Statue of Liberty essay contest, now has a $9,500 scholarship fund waiting to help further her education. The money came from the auction of a 1987 Nissan Sentra XE that was the top prize in the statewide contest by the Aloha Liberty Foundation in Honolulu. Even President **Ronald Reagan**, who telephoned Hue to congratulate her, was powerless to bend a federal regulation that restricts welfare families from having more than $1,500 worth of resources. The car would have put them well over the limit, but the scholarship money is exempt. Hue also will accept another prize from the contest — an expenses-paid trip to New York for the Statue of Liberty rededication July 4.

□

In 1942, **Earl Robinson** wrote a new version of his 11-minute anthem, "Ballad for Americans," and called the new, shorter song "The House I Live In," and **Frank Sinatra** will sing it at the celebration of the Statue of Liberty's 100th birthday. A year ago Sinatra told Robinson he wanted to sing "The House I Live In" for the Liberty fete and asked for some new lyrics. "He emphasized that his father and mother came through Ellis Island and he wanted to talk about that a little bit. I have done them and I did a beautiful job on them, I say modestly. But it looks as if he is going to sing the original words," Robinson said. He originally composed the song for himself, "to sing something in a simple way, without telling the whole history," he said in an interview. "I played guitar and sang it around about two years. In 1944 I got a call on the phone, 'Did you know Frankie is singing your song?' He has been singing it off and on 30 years."

□

Tatum O'Neal, 22, daughter of **Ryan O'Neal**, has given birth to **John McEnroe's** son in Santa Monica, California, a hospital spokeswoman said Tuesday. The 8-pound, 11-ounce (3.9-kilogram) boy was born Friday, and both mother and baby went home Monday. McEnroe, 27, has temporarily dropped out of tennis, in part because of O'Neal's pregnancy, but remains one of the top-ranked players. He is expected to resume playing before the U.S. Open in August. . . . **Gian Carlo Coppola**, 23, the son of the movie director **Francis Ford Coppola**, was killed and **Griffin Patrick O'Neal**, 21, the son of actor **Ryan O'Neal** was injured when their boat cut between a tow boat and a disabled vessel being towed to port Monday, an official said.

□

Queen Elizabeth II arrived back in England after her five-day private visit to Kentucky's thoroughbred horse farms. The queen stayed with **William Farish 3d**, president of the U.S. Jockey Club and his wife, **Sarah**, at Lane's End Farm outside Lexington.

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